



CHICAGO, WEST PULLMAN & SOUTHERN RAILROAD COMPANY

October 14, 1980

RECORDATION NO. 12349 Filed 1425

Mrs. Agatha L. Mergenovich, Secretary
Interstate Commerce Commission
Washington, DC 20423

Oct 27 1980 *10:45* PM

INTERSTATE COMMERCE COMMISSION

Dear Mrs. Mergenovich:

Enclosed for recording by the Commission pursuant to 49 U.S.C. §11303 and §1116.5, Title 49 of the Code of Federal Regulations, is the attached mortgage and certified true copies thereof, by which the Chicago, West Pullman & Southern Railroad Company mortgages its railroad rolling stock to Continental Illinois National Bank and Trust Company as Trustee for the benefit of the holders of certain notes. Please record the mortgage as provided by the provisions of the Interstate Commerce Act and the Code of Federal Regulations identified above. Set forth below is the following information regarding the mortgage:

1. Names and addresses of the parties to the transaction mortgagor:

Chicago, West Pullman & Southern Railroad Company
2728 East 104th Street
Chicago, Illinois 60617

Mortgagee:

Continental Illinois National Bank and Trust Company
of Chicago as Trustee
32 North LaSalle Street
Chicago, Illinois 60693

2. Equipment covered by the mortgage:

All of the railroad rolling stock and locomotives owned by the Chicago, West Pullman & Southern Railroad Company as of the date of the mortgage, and all after acquired equipment, are covered by the mortgage. The existing equipment, bearing the reporting marks "CWP" and "CWP&S", "WSW" and "WSWX", are numbered and classified as follows:

Mrs. Agatha L. Mergenovich
Page 2
October 14, 1980

<u>Car Series</u>	<u>Nos. of Car</u>	<u>Type - Mech. Desg.</u>	
1	1	Tank	T
1 thru 27	10	Flat	FM
207	1	Caboose	NE
800	1	Tank	T
901 thru 987	37	Hopper	H
1004 thru 1018	10	Gon	GB
1110 thru 1130	10	Gon	GB
1404	1	Gon	GB
1705 thru 1763	36	Gon	GB
1776	1	Gon	GBR
1976	1	Gon	GBR
2200 thru 2201	2	Flat	FM
2708 thru 2744	22	Flat	FM
7000 thru 7092	78	Gon	GB
8000 thru 8029	30	Gon	GB
30001 thru 30015	15	Box	XF
30095 thru 30099	5	Box	XF
41003 thru 41020	3	Gon	GB
37 thru 39	3	Loco	E.M.D. 600 H.P.
41 thru 46	4	Loco	E.M.D. 800 H.P.
47 thru 51	3	Loco	E.M.D. 1200 H.P.

274

Very truly yours,


R. E. Smith
President & General Manager
Chicago, West Pullman & Southern
Railroad Company

RES:gv

Enc.

SIDLEY & AUSTIN

ONE FIRST NATIONAL PLAZA
CHICAGO, ILLINOIS 60603

LOS ANGELES OFFICE
1880 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067
TELEPHONE 213: 553-8100

WASHINGTON OFFICE
1730 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20006
TELEPHONE 202: 624-9000
TELEX 89-463

TELEPHONE 312: 329-5400
TELEX 25-4364

EUROPEAN OFFICE
9 HOLLAND PARK
LONDON, W11 3TH, ENGLAND
TELEPHONE 01: 727-0132
TELEX 21781

Founded in 1866 as
Williams & Thompson

November 19, 1980

Ms. Mildred Lee
Interstate Commerce Commission
12th and Constitution Ave., N.W.
Room 2303
Washington, D.C. 20423

Dear Ms. Lee:

Enclosed herewith is the transmittal letter which I previously sent you with my letter of October 22, 1980 for the purpose of recording the mortgage of the Chicago, West Pullman and Southern Railroad Company. If you have any additional questions, please call me.

Very truly yours,



Kirk B. Johnson

KBJ/gk

Enc.

SIDLEY & AUSTIN

ONE FIRST NATIONAL PLAZA
CHICAGO, ILLINOIS 60603

TELEPHONE 312: 329-5400

TELEX 25-4364

Founded in 1866 as
Williams & Thompson

0-302A063

No. 1

Date.....

Fee \$.....

ICC Washington, D. C.

WASHINGTON OFFICE
1730 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20006
TELEPHONE 202: 624-9000
TELEX 89-463

EUROPEAN OFFICE
9 HOLLAND PARK
LONDON, W11 3TH, ENGLAND
TELEPHONE 01: 727-0132
TELEX 21781

October 22, 1980

Mrs. Agatha L. Mergenovich, Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mrs. Mergenovich:

Pursuant to 49 U.S.C. §11303 and 49 C.F.R. §1116, attached hereto for filing with the Commission is a mortgage involving the Chicago, West Pullman and Southern Railway Company. Also enclosed are: two certified true copies of the mortgage, a transmittal letter, and a \$50 filing fee. Please return the stamped original mortgage and direct any inquiries regarding this filing, to the undersigned.

Very truly yours,

Kirk B. Johnson

KBJ/gk

Enc.

RECORDATION NO. 12349
OCT 27 1980 - 11 45 AM
INTERSTATE COMMERCE COMMISSION

OCT 27 11 36 AM '80
FEE COLLECTION BR.

Interstate Commerce Commission
Washington, D.C. 20423

11/4/80

OFFICE OF THE SECRETARY

Kirk B Johnson
Sidley & Austin
1730 Penn. Avenue, N.W.
Washington, D.C. 20006

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **10/27/80** at **10:45am**, and assigned re-recording number(s). **12349**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

RECORDATION NO. 12349
FILED 1425

OCT 27 1980 - 10 45 AM

INTERSTATE COMMERCE COMMISSION

Envirodyne Stock Company
EDC Holding Company
EDC, Inc.
Wisconsin Steel Company
WSC Corp.
WSC Sales, Inc.
Envirodyne Transportation Company
WSC Shipping, Inc.
The Chicago, West Pullman & Southern Railroad
Company

and

Continental Illinois National Bank and Trust Company
of Chicago

Trustee

INDENTURE OF MORTGAGE AND TRUST
AND SECURITY AGREEMENT

Dated as of November 1, 1979

\$75,000,000

9³/₄% Guaranteed Notes
due May 1, 1982-November 1, 1999

This document was prepared by:
Paul W. Zeller, Esq.
299 Park Avenue
New York, New York 10017

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
Recitals	1
Granting Provisions	2

ARTICLE 1.

THE LENDERS NOTES

1.01. Form	3
1.02. Original Issue	3
1.03. Transfer of Lenders Notes	3
1.04. Lenders Note Register, Ownership of Lenders Notes	3
1.05. Issuance of New Lenders Notes	4
1.06. Replacement of Lenders Notes	4
1.07. Custody of Harvester Guaranteed Lenders Notes	4

ARTICLE 2.

PROGRAM, RESTORATION AND NOTE PAYMENT FUNDS

2.01. Establishment of Program Fund	4
2.02. Disbursements from Program Fund	4
2.03. Establishment of Restoration Fund	5
2.04. Disbursement from Restoration Fund	5
2.05. Transfer to Note Payment Fund	6
2.06. Establishment of Note Payment Fund	6
2.07. Application of Note Payment Fund	6
2.08. Investment of Funds	7

ARTICLE 3.

REPRESENTATIONS AND WARRANTIES OF ESC AND THE RESTRICTED SUBSIDIARIES

ARTICLE 4.

AFFIRMATIVE COVENANTS OF THE BORROWER

4.01. Payment of Lenders Notes	8
4.02. Performance of Lenders Loan Agreements and Lenders Notes	8
4.03. Completion of Program; Use of Proceeds	8
4.04. Existence	8
4.05. To Maintain Office or Agency	8
4.06. Payment of Taxes	8
4.07. Payment of Indebtedness	8
4.08. Insurance	9
4.09. Maintenance of Property	10
4.10. Destruction	10
4.11. Taking	11
4.12. Compliance with Environmental and Safety Requirements	11
4.13. Financial Statements, etc.	11
4.14. Access to Books and Records	11
4.15. Maintenance of Books and Records	12
4.16. Inspection of Projects	12

<u>Section</u>	<u>Page</u>
4.17. Transactions with Affiliates	12
4.18. Discrimination	12
4.19. Compliance with Building Codes	12
4.20. Performance and Payment Bonds	12
4.21. PIE Agreement	12
4.22. Instruments of Further Assurance	12
4.23. Use of Certain Forms	13
4.24. Accommodation of Physically Handicapped Persons	13
4.25. Wages and Prices in the Construction Industry	13
4.26. Consent to Jurisdiction	13
4.27. After-Acquired Property	13
4.28. Capital and Operating Budgets	13
4.29. Compliance with Applicable Laws	13

ARTICLE 5.

NEGATIVE COVENANTS OF THE BORROWER

5.01. Limitation on Indebtedness and Capital Lease Obligations	14
5.02. Limitation on Sale and Leaseback and Rental Obligations	15
5.03. Limitation on Liens	15
5.04. Consolidated Working Capital	15
5.05. Consolidated Tangible Net Worth	15
5.06. Cumulative Consolidated Tangible Net Worth	16
5.07. Limitation on Dividends, Stock Repurchases and Other Payments and Distributions	16
5.08. Limitation on Payments to Envirodyne; Budgets	17
5.09. Officers' Compensation	17
5.10. Limitations on Investments	18
5.11. Disposition of Assets	18
5.12. Transfer of Assets, Consolidation or Merger	18
5.13. Issue of Shares of Subsidiaries; Disposition of Shares and Indebtedness of Subsidiaries	19
5.14. Tax Consolidation	19
5.15. Sales of Raw Materials	20
5.16. Non-Production of Electricity and Gas	20
5.17. Changes in Program Plans	20
5.18. Ownership of Projects	20
5.19. Interim Financing	20
5.20. Amendments to Certain Documents	20

ARTICLE 6.

RECORDATION, SUBSTITUTION, ADDITIONAL PROPERTY AND RELEASE

6.01. Recordation	21
6.02. Substitution of Machinery or Equipment	21
6.03. Additional Property; Supplemental Indenture, etc.	21
6.04. Release of Lien of This Indenture—Disposition of Assets	22

ARTICLE 7.

REMEDIES UPON DEFAULT

<u>Section</u>	<u>Page</u>
7.01A. Events of Default	22
7.01B. Automatic Acceleration	23
7.01C. Optional Acceleration by the Trustee	23
7.01D. Optional Acceleration by EDA	24
7.01E. EDA Cure of Payment Defaults	24
7.02. Trustee's Right to Enter and Take Possession, Operate and Apply Income	24
7.03. Trustee's Power of Sale	25
7.04. Trustee's Power of Enforcement	25
7.05. Adjournment of Sale	26
7.06. Property not Present at Sale	26
7.07. Trustee Authorized to Execute Deeds, Conveyances; Deliver Possession	26
7.08. Purchase by Holders of Lenders Notes or Trustee	26
7.09. Application of Lenders Notes toward Purchase Price	26
7.10. Receipt Sufficient Discharge to Purchaser	26
7.11. Sale a Bar	27
7.12. Application of Proceeds of Sale	27
7.13. Waiver of Appraisement, Valuation, Stay, Extension and Redemption Laws	27
7.14. Trustee Entitled to Appointment of Receiver	27
7.15. Remedies at Law Inadequate	27
7.16. Trustee May Enforce Rights without Lenders Notes	27
7.17. Holders of Majority of Lenders Notes May Control Proceedings	28
7.18. No Waiver	28
7.19. Restoration of Rights, Powers and Remedies	28
7.20. Remedies Cumulative; Compromise of Actions	28

ARTICLE 8.

CONCERNING THE TRUSTEE

8.01. Duties and Liabilities of Trustee	28
8.02. Trustee's Expenses and Other Charges	31
8.03. Resignation, Removal and Replacement of Trustee	31
8.04. Successor Trustee by Merger, Consolidation, etc.	32
8.05. Eligibility of Trustee	32

ARTICLE 9.

SUPPLEMENTAL INDENTURES AND WAIVERS

9.01. Supplemental Indentures without Consent	32
9.02. Waiver or Supplemental Indenture with Consent	33
9.03. Notice of Waivers and Supplemental Indentures	33
9.04. Conditions to Waivers and Supplemental Indentures	33
9.05. Effect of Waivers and Supplemental Indentures	34

ARTICLE 10.

DISCHARGE

<u>Section</u>	<u>Page</u>
Discharge	34

ARTICLE 11.

GUARANTEES

11.01. Guarantee of Payment	34
11.02. Guarantee of Performance	35
11.03. Character of Guarantee	35
11.04. Subrogation; Limitation on Exercise	35
11.05. Payment of Costs and Expenses	35
11.06. Assignment of Rights on Taking	35

ARTICLE 12.

PLEDGES OF STOCK

12.01. Pledge of Stock of the Borrower, EDC, Steel, WSC, WSC Sales, Transportation, Shipping and CWP	36
12.02. Title	37
12.03. To Pledge Additional Stock	37
12.04. All Stock of Borrower and Restricted Subsidiaries To Be Pledged	37
12.05. Restrictions on Dividends	37
12.06. Sale of Pledged Shares Prohibited	37
12.07. Registration in Nominee Name	37
12.08. Voting Rights; Dividends, etc.	38
12.09. Remedies upon Default	38
12.10. Application of Proceeds of Sale	40
12.11. The Trustee Appointed Attorney-in-Fact	40
12.12. Termination	40
12.13. Further Assurances	40
12.14. Certain Waivers, etc.	40

ARTICLE 13.

SUBORDINATION

13.01. Capital Improvements to Mortgaged Property	41
13.02. Notice of Intent to Subordinate Lien of Indenture	41
13.03. Subordination by Trustee	41
13.04. Capital Improvements Subject to Lien of This Indenture	42

ARTICLE 14.

DEFINITIONS

Definitions	42
-------------------	----

ARTICLE 15.

NOTICES, CONSENTS AND DEMANDS

<u>Section</u>		<u>Page</u>
15.01.	Notices to Interested Persons	52
15.02.	Notices Hereunder	52
15.03.	Approvals, Acceptances and Consents by EDA	52

ARTICLE 16.

NEGATIVE COVENANT OF ESC

ARTICLE 17.

MISCELLANEOUS PROVISIONS

17.01.	Headings	52
17.02.	Severability	53
17.03.	Benefit of Indenture	53
17.04.	Successors and Assigns	53
17.05.	Waivers, Changes, etc.	53
17.06.	Governing Law	53
17.07.	Counterparts of Indenture	53
	Signatures	53

Annex A —Description of Real Property Constituting a Portion of the
Mortgage Property

Annex B —List of Primary and Supplementary Projects

Acknowledgments

RECORDING DATA

This Indenture of Mortgage and Trust and Security Agreement was recorded in the Office of the County Recorder of Cook County, Illinois, at : A.M. on , 1979, in Real Volume , beginning at page .

INDENTURE OF MORTGAGE AND TRUST AND SECURITY AGREEMENT

State of Illinois
County of Cook

INDENTURE OF MORTGAGE AND TRUST AND SECURITY AGREEMENT, dated as of November 1, 1979, by and among Envirodyne Stock Company ("ESC"), EDC Holding Company, a California corporation (the "Borrower"), EDC, Inc. ("EDC"), Wisconsin Steel Company ("Steel"), WSC Corp. ("WSC"), WSC Sales, Inc. ("WSC Sales"), Envirodyne Transportation Company ("Transportation"), WSC Shipping, Inc. ("Shipping"), other than the Borrower each a Delaware corporation, The Chicago, West Pullman & Southern Railroad Company, an Illinois corporation ("CWP" and, together with EDC, Steel, WSC, WSC Sales, Transportation and Shipping, the "Restricted Subsidiaries"), and Continental Illinois National Bank and Trust Company of Chicago, a national banking association, as trustee for the benefit of the Holders of the Lenders Notes (the "Trustee").

WHEREAS, in order to assist in the financing necessary to make steel production facilities competitive and to restore or sustain employment, the EDA (as such term and other capitalized terms used herein are defined in Article 14), pursuant to sections 202, 203 and 403 of the Public Works and Economic Development Act of 1965, as amended, has established a loan guarantee program to assist the steel industry, in accordance with the recommendations of a task force appointed by President Carter to review the economic problems confronting the steel industry; and

WHEREAS, the Borrower wishes to (i) obtain funds for use by WSC to provide for the modernization and rehabilitation of certain facilities and the installation of certain systems at the Wisconsin Steel Works of WSC through the borrowing by the Borrower of \$75,000,000 evidenced by the issue and delivery of a like aggregate principal amount of its 9 $\frac{3}{4}$ % Guaranteed Notes due May 1, 1982-November 1, 1999 (the "Lenders Notes"), (ii) secure the payment of the principal thereof, premium, if any, and interest thereon, and (iii) assure the performance and observance of the covenants and conditions contained herein and in the six separate loan agreements (the "Lenders Loan Agreements") of even date herewith, each with an institutional lender named therein (collectively, the "Lenders"), providing for loans in such aggregate amount and the issue and delivery of the Lenders Notes in evidence thereof; and

WHEREAS, ESC, the Borrower and the Restricted Subsidiaries, each of whom will benefit from the successful completion of the Program, wish to provide security for the payment of the Lenders Notes as set forth in this Indenture; and

WHEREAS, the payment of 90% of the principal of and 90% of the interest on the Lenders Loan is being guaranteed by the United States of America; and

WHEREAS, the payment of 10% of the principal of and 10% of the interest on the Lenders Loan is being guaranteed by International Harvester Company, a Delaware corporation ("Harvester"); and

WHEREAS, ESC, the Borrower and the Restricted Subsidiaries, have each duly authorized, executed and delivered this Indenture; and

WHEREAS, all corporate acts have been taken which are necessary to make the Lenders Notes, when duly executed and delivered by the Borrower, the legal, valid and binding obligations of the Borrower and to make this Indenture a legal, valid and binding instrument for the guarantee of the payment of and for the security for the Lenders Notes and a valid Lien on the Mortgaged Property; and

WHEREAS, the Trustee has duly accepted the trusts created by and has agreed to perform its required duties in accordance with the provisions of this Indenture and as evidence thereof has joined in the execution hereof;

NOW, THEREFORE, the parties hereto agree as follows:

THIS INDENTURE WITNESSETH that for and in consideration of the premises and in order to secure the payment of the principal of, premium, if any, and interest on, and any other amount due under, the Lenders Notes in accordance with their terms and the performance of and compliance with all the covenants, agreements, terms and conditions expressed or implied herein and in the Lenders Loan Agreements, ESC, the Borrower and the Restricted Subsidiaries other than WSC Sales do each hereby grant, bargain, sell, convey, warrant, assign, quitclaim, mortgage, pledge and grant a security interest in the following property to the Trustee and its assigns forever:

I.

PROPERTY SPECIFICALLY DESCRIBED

All of the following property (the "Mortgaged Property"):

The parcels of real property, the legal descriptions of which are set forth in Annex A hereto, together with all fixtures, machinery, equipment and all other personal property, tangible or intangible (except Inventories and Receivables and the proceeds therefrom), which are owned or hereafter acquired by the Borrower or one of the Restricted Subsidiaries, and in each case together with all additions and substitutions thereto and therefor hereafter made as permitted or required under this Indenture.

II.

MONEYS AND SECURITIES DEPOSITED WITH TRUSTEE

All moneys and securities deposited or required to be deposited with the Trustee pursuant to any term of this Indenture and held or required to be held by the Trustee hereunder.

III.

FURTHER PROPERTY GRANTED TO TRUSTEE

All property, of every character and description, which from time to time at or after the date of this Indenture may be delivered, or may by writing of any kind be granted, bargained, sold, conveyed, warranted, assigned, quitclaimed, mortgaged, or pledged, or in which a security interest has been granted, to the Trustee, as and for additional security hereunder, by the Borrower or one of the Restricted Subsidiaries or by anyone with the written consent of any of the Borrower, or any one of the Restricted Subsidiaries, including the Pledged Collateral. The Trustee is hereby authorized to receive any such property, and any such grant, bargain, sale, conveyance, assignment, quitclaim, mortgage, or pledge, as and for additional security hereunder, and to hold and apply such property subject to and in accordance with the terms of this Indenture.

TO HAVE AND TO HOLD all of the foregoing, with all privileges and appurtenances, hereby or hereafter so granted, bargained, sold, conveyed, warranted, assigned, quitclaimed, mortgaged, pledged, or in which a security interest has been granted or intended so to be, unto the Trustee and its assigns forever.

SUBJECT, HOWEVER, to Permitted Liens and to the consent of the Interstate Commerce Commission with respect to CWP becoming a Guarantor hereunder and granting a Lien hereunder on its properties.

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of the Holders of the Lenders Notes secured and to be secured by this Indenture without privilege, priority or distinction as to the Lien or otherwise of any of the Lenders Notes

over any other of the Lenders Notes by reason of priority in the time of the issue or negotiation thereof or by reason of the date of maturity thereof or for any other reason, except as otherwise expressly provided herein;

PROVIDED, HOWEVER, that if the Borrower shall pay, or cause to be paid, the principal, premium, if any, interest and any other amount to become due in respect of all the Lenders Notes at the times and in the manner stipulated therein and herein, and shall perform and comply with, or cause to be performed and complied with, all the covenants, agreements, terms and conditions contained in the Lenders Notes and in this Indenture to be performed or complied with by it, then this Indenture and the estate, rights and security interests granted hereby or pursuant hereto shall cease, determine and be void; otherwise this Indenture is to remain in full force and effect.

IT IS HEREBY COVENANTED, DECLARED AND AGREED, by and among the parties hereto, that each of the Lenders Notes is to be executed, delivered and secured and to be accepted by all Persons who from time to time shall be or become the Holders thereof, and that all property at any time subject hereto or in which a security interest is granted pursuant hereto is to be held and applied, upon and subject to the further covenants, terms, conditions, uses and trusts hereinafter set forth, and the Trustee, ESC, the Borrower and each of the Restricted Subsidiaries, for themselves and for their respective successors and assigns, hereby jointly and severally covenant and agree, for the benefit of the Holders of the Lenders Notes, as herein set forth:

ARTICLE 1.

THE LENDERS NOTES

1.01. *Form.* The respective forms of the Lenders Notes shall be as provided in section 1 of the Loan Agreements.

1.02. *Original Issue.* At any time or from time to time after the execution and delivery of this Indenture (whether before or after the recording hereof) the Borrower may execute, as provided in section 2 of the Lenders Loan Agreements, and deliver to the Trustee, and the Trustee shall deliver to the Lenders, Lenders Notes in an aggregate principal amount not exceeding \$75,000,000, upon receipt by the Trustee of executed counterparts of each of the agreements or other instruments, opinions and certificates required to be delivered as a condition to the respective obligations of the Lenders under section 3 of the Lenders Loan Agreements, against receipt by the Trustee of official bank checks drawn against the Federal Reserve Bank of New York payable, on behalf of the Borrower, to the Trustee in an aggregate amount equal to the aggregate principal amount of the Lenders Notes then to be issued.

1.03. *Transfer of Lenders Notes.* Any Lenders Note, or any part thereof, may be assigned by the Holder thereof to a successor Holder or Holders; *provided* that, except in the case of assignment of the entire unpaid principal amount of the EDA-Guaranteed Lenders Notes held by any Holder, the aggregate unpaid principal amount of the EDA-Guaranteed Lenders Notes assigned by any Holder at any time shall equal or exceed \$100,000, and *provided*, further, that no such assignment shall be effective until and unless the Trustee has notified EDA, in the case of the EDA-Guaranteed Lenders Notes, or Harvester, in the case of the Harvester Guaranteed Lenders Notes, of the names and addresses of the assignor and assignee, the principal amount of each such Lenders Note assigned and, in the case of the EDA-Lenders Guaranteed Notes, the Trustee's confirmation, which may be based on a certificate of an appropriate officer or representative of the assignee, to the effect that the assignee is a Financing Institution or nominee thereof.

1.04. *Lenders Note Register. Ownership of Lenders Notes.* The Trustee will maintain a register in which the Trustee will provide for the registration of Lenders Notes and the registration of transfers of Lenders Notes, and the Borrower will keep a duplicate copy of such register at its principal office. As a condition to being registered as a Holder of any EDA-Guaranteed Lenders Note upon any transfer thereof, the transferee shall furnish to the Trustee, on request, a certificate of an appropriate officer or representative

of such transferee certifying to the reasonable satisfaction of the Trustee that such transferee is a Financing Institution. The Trustee and the Borrower may treat the Holder of any Lenders Note as the owner thereof for the purpose of receiving payment of the principal of and the premium, if any, and interest on such Lenders Note and for all other purposes, whether or not such Lenders Note shall be overdue, and the Trustee and the Borrower shall not be affected by any notice to the contrary.

1.05. *Issuance of New Lenders Notes.* Subject to the provisions of Sections 1.03 and 1.04 relating to assignment of any Lenders Note, upon surrender of any Lenders Note or Lenders Notes for registration of transfer or for exchange to the Trustee, the Borrower at its expense will execute and deliver to the Trustee and the Trustee will register and deliver in exchange therefor a new Lenders Note or Lenders Notes in denominations of \$50,000 or any multiples thereof requested by the Holder or transferee (plus one Lenders Note in such other denomination as may be required), aggregating the unpaid principal amount of the surrendered Lenders Note or Lenders Notes and payable in each case in proportionally the same installments, registered in the name of such Person as such Holder or transferee may request, dated so that there will be no loss of interest on the surrendered Lenders Note or Lenders Notes and otherwise of like tenor.

1.06. *Replacement of Lenders Notes.* Upon receipt of evidence reasonably satisfactory to the Trustee of the loss, theft, destruction or mutilation of any Lenders Note and, in the case of any such loss, theft or destruction of any Lenders Note, upon delivery of an agreement of indemnity, or, in the case of any such mutilation, upon the surrender of such Lenders Note for cancellation to the Trustee, the Borrower at its expense will execute and deliver to the Trustee, and the Trustee will register and deliver, in lieu thereof, a new Lenders Note, dated so that there will be no loss of interest on the lost, stolen, destroyed or mutilated Lenders Note and otherwise of like tenor. Any Lenders Note in lieu of which any such new Lenders Note has been so executed and delivered shall not be deemed to be Outstanding for any purpose of this Indenture.

1.07. *Custody of Harvester Guaranteed Lenders Notes.* In the event that, prior to termination of the EDA-Lenders Guarantee in accordance with its terms, the Trustee shall receive any Harvester Guaranteed Lenders Note assigned for transfer to Harvester upon payment by it pursuant to the Harvester Guarantee Agreement the Trustee will register such transfer, but shall retain custody of the Harvester Guaranteed Lenders Note or Notes issued in exchange therefor until such termination shall occur.

ARTICLE 2.

PROGRAM, RESTORATION AND NOTE PAYMENT FUNDS

2.01. *Establishment of Program Fund.* There is hereby created by the Borrower and established with the Trustee a trust fund to be designated "Wisconsin Steel Program Fund" (herein referred to as the "Program Fund"). All amounts paid or expended by the Borrower for Program Costs during the period commencing April 17, 1978, and prior to the date of the first Closing shall constitute the Equity Contribution of the Borrower. All of the proceeds received by the Trustee on behalf of the Borrower from time to time on account of loans evidenced by the issue and delivery of Lenders Notes and all amounts transferred by the Trustee from the Restoration Fund to the Program Fund pursuant to Section 2.05 shall be held by the Trustee in the Program Fund.

2.02. *Disbursements from Program Fund.* Subject to the provisions of Sections 2.05 and 8.02, the Trustee, with respect to each Requisition, will make disbursements from the Program Fund to pay Program Costs in accordance with and within two business days after the delivery to the Trustee of an Officers' Certificate of the Borrower and WSC (which Officers' Certificate, in the case of WSC, shall also be executed by the Senior Engineer of WSC) specifying the amount of the Requisition and certifying:

- (a) the name of the Person to whom such amount is due or was paid, which may be an Affiliate of the Borrower;
- (b) the Project or other item of Program Costs to which the Requisition relates;
- (c) the Requisition number;
- (d) the purpose for which the obligation was incurred;

(e) that the amount of the Requisition will be or was used to pay an item of the Program Costs and that it is a proper charge against the Program Fund;

(f) that the items or portions thereof for which the Requisition is made have not been the basis for a prior Requisition which has been paid;

(g) that the items or portions thereof for which the Requisition is made have not been the subject of any payment included in the Equity Contribution;

(h) that no notice has been received and that there is no reason to believe that the Borrower, Steel or WSC will receive notice of any Lien, right to Lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable under the Requisition to any Person named therein, or if any notice of any such Lien, attachment or claim has been received, such Lien, attachment or claim has been released or discharged or will be released or discharged upon payment of the Requisition;

(i) that no Default or Event of Default has occurred and is continuing;

(j) to the extent that the Requisition relates to Project Costs, that the items of work covered thereby have been done in a proper manner in accordance with (i) generally accepted engineering standards and established industry practices and (ii) in compliance with applicable laws relating to such work; and

(k) if the Requisition includes an item for labor (including engineering and consulting services) or to contractors, builders, or materialmen, that (i) the obligations therefor have been properly incurred, (ii) such work was actually performed or such materials, supplies or equipment were actually furnished or will be furnished upon receipt of a downpayment or installed in or about the construction site of one of the Projects and that the installation of equipment or machinery constitutes part of the Mortgaged Property and (iii) either such materials, supplies or equipment are not subject to any Lien or the funds are to be used to satisfy any such Lien, which certificate shall state that bills, invoices or evidence of payment are on file at the offices of the Borrower;

provided that the Trustee shall not make any disbursement from the Program Fund after EDA shall give notice to the Trustee terminating the issue by the Borrower of EDA-Guaranteed Lenders Notes or shall instruct the Trustee not to make any such disbursement pursuant to paragraph G of the EDA-Lenders Guarantee Agreement.

If the Requisition relates to Project Costs, the Officers' Certificate shall be accompanied by an additional requisition signed by the PIE specifying the amount and certifying to items (k)(i) and (k)(ii) above. If the Requisition relates to Program Costs other than Project Costs, the Borrower will deliver a copy of the Requisition to EDA.

Moneys held in the Program Fund and disbursed by the Trustee pursuant to this Section 2.02 shall be charged, first, against principal and, second, against interest and other income of such Fund.

The Trustee will retain in its possession each Requisition received by it for seven years from the date thereof.

2.03. *Establishment of Restoration Fund.* There is hereby created by the Borrower and established with the Trustee a trust fund designated the "Wisconsin Steel Restoration Fund" (herein referred to as the "Restoration Fund"). There shall be deposited in the Restoration Fund, and the Trustee will hold (a) all proceeds of insurance on account of any Destruction and (b) all awards or other payments on account of any Taking, less in each case the costs and expenses incurred in the collection or receipt thereof.

2.04. *Disbursement from Restoration Fund.* Subject to the provisions of Section 2.05, the Trustee will make disbursements from the Restoration Fund for the purpose of Restoration in accordance with and within two business days after delivery to the Trustee of an Opinion of Counsel and an Officers' Certificate of the Borrower pursuant to and in compliance with paragraph (c) of Section 4.08; *provided* that the Trustee shall not make any disbursement from the Restoration Fund after EDA shall give notice to the Trustee terminating the issue by the Borrower of EDA-Guaranteed Lenders Notes or shall instruct the Trustee not to make any such disbursement pursuant to paragraph G of the EDA-Lenders Guarantee Agreement. Money

held in the Restoration Fund and disbursed by the Trustee pursuant to this Section 2.04 shall be charged, first, against principal and, second, against interest and other income of such Fund.

2.05. *Transfer to Note Payment Fund.* With the consent of EDA (so long as it shall not be in default under the EDA-Lenders Guarantee),

(a) upon delivery to the Trustee of an Officers' Certificate of the Borrower certifying (i) the Completion of the Program or (ii) that the Program has been terminated prior to Completion, the Trustee shall transfer to the Note Payment Fund the amount in the Program Fund in excess of the amount, if any, to be reserved in the Program Fund to pay Program Costs, as stated in such Officers' Certificate, and upon the payment of all such Program Costs, the Trustee shall transfer to the Note Payment Fund the balance, if any, held in the Program Fund;

(b) upon delivery to the Trustee of an Officers' Certificate of the Borrower certifying as to the completion of any Restoration, the Trustee shall transfer all amounts then held in the Restoration Fund and received by the Trustee in respect of the Mortgaged Property to be so restored, plus the net gains or minus the net losses allocable thereto actually realized from the investment of the Restoration Fund, to the Note Payment Fund or, if such Restoration shall have been completed prior to the Completion of the Program, and no Event of Default shall have occurred and be continuing and such Officers' Certificate shall so state, to the Program Fund;

(c) upon delivery to the Trustee of an Officers' Certificate of the Borrower certifying as to the Total Destruction or Total Taking of the Mortgage Property, the Trustee shall transfer to the Note Payment Fund all amounts held in the Restoration Fund and the Program Fund; and

(d) if any Event of Default shall occur and be continuing, upon the written request of the Holders of a majority in aggregate principal amount of Lenders Notes then Outstanding, the Trustee shall, notwithstanding the provisions of paragraphs (a), (b) and (c) of this Section 2.05, transfer to the Note Payment Fund all amounts held in the Restoration Fund and the Program Fund.

The Trustee shall notify the Director in writing, forthwith after any amount shall become so transferable, with the EDA's consent, to the Note Payment Fund, of the amount so transferable, the Fund from which it is to be transferred and the basis therefor. EDA shall be deemed to have consented to such transfer if EDA has not objected thereto to the Trustee in writing within 15 days after receipt by EDA of such notice.

2.06. *Establishment of Note Payment Fund.* There is hereby created by the Borrower and established with the Trustee a trust fund designated the "Wisconsin Steel Note Payment Fund" (herein referred to as the "Note Payment Fund"). There shall be deposited in the Note Payment Fund, after deduction of all expenses and other charges at the time payable or reimbursable pursuant to Section 8.02: (a) all amounts transferred by the Trustee from the Program Fund or the Restoration Fund to the Note Payment Fund; (b) amounts collected or received by the Trustee pursuant to Sections 7.02, 7.12 and 7.16; (c) all amounts realized by the Trustee under Article 11 or Article 12; and (d) amounts collected, received or realized by the Trustee from any other property of the Borrower or any of the Restricted Subsidiaries.

2.07. *Application of Note Payment Fund.* The Trustee shall apply all moneys held from time to time in the Note Payment Fund to the payment of all costs, expenses and other charges payable pursuant to Section 8.02, and not theretofore deducted from moneys paid into the Note Payment Fund pursuant to any of Sections 7.02, 7.12 and 7.16 and Articles 11 and 12, and shall apply the balance of such moneys as follows:

(1) in case the principal of all the Lenders Notes at the time Outstanding shall not have become due and payable (whether at maturity or at a date fixed for any installment payment or any prepayment or by declaration of acceleration or otherwise), first, to the payment of all interest due and payable on the Lenders Notes, in the order of the maturity of the installments of such interest, and, second, to the payment of all amounts of principal and premium, if any, due and payable on the Lenders Notes: such payments to be made ratably, without preference or priority of any one Holder over any other Holder or of any one Lenders Note over any other Lenders Note or, except as hereinabove provided, of any installment of interest over any other installment of interest or of any installment of principal or amount of premium over any other installment of principal or amount of premium; any balance to be held by the Trustee for further application in accordance with this Section 2.07(1); or

(2) in case the principal of all the Lenders Notes at the time Outstanding shall have become due and payable (whether at maturity or at a date fixed for any installment payment or any prepayment or by declaration of acceleration or otherwise),

(a) first, to the payment of the whole amount then due and payable on the Lenders Notes for principal, premium, if any, and interest, *provided* that in case there shall be insufficient moneys to pay in full the whole amount so due and payable, then:

(i) first, to the payment of interest then due and payable on account of the Lenders Notes to the extent guaranteed pursuant to the EDA-Lenders Guarantee and the Harvester Guarantee Agreement;

(ii) second, to the payment of principal then due and payable on account of the Lenders Notes; and

(iii) third, to the payment of premium, if any, and the balance of interest then due and payable on account of the Lenders Notes;

such payments within the categories in the foregoing subdivisions (i), (ii) and (iii) respectively, to be made ratably, without preference or priority of any one Holder over any other Holder or of any one Lenders Note over any other Lenders Note, or any installment of interest over any other installment of interest or of any installment of principal over any other installment of principal;

(b) then, to the Borrower or to such other Person as may be lawfully entitled to receive such moneys.

2.08. *Investment of Funds.* The Program Fund, the Restoration Fund and the Note Payment Fund shall, when not required to be utilized as hereinabove provided, be invested and reinvested if and to the extent permitted by law only in Authorized Securities.

The Borrower will, by a written order signed by an Authorized Representative of the Borrower, direct the Trustee to make the investments permitted by this Section 2.08, and to sell the same. All investments shall be deemed a part of the Fund from which made. All interest, including the realized increment on investments purchased at a discount, received by the Trustee on such investments, and any other gain actually realized by the Trustee from such investments shall be deposited and held by the Trustee to the credit of interest and other income of the Fund from which such investments were made.

The Borrower will promptly reimburse the Trustee for any losses not offset by gains actually realized from investments made in accordance with this Section 2.08, and such reimbursement shall be deposited and held by the Trustee to the credit of principal of the Fund from which such investments were made.

ARTICLE 3.

REPRESENTATIONS AND WARRANTIES OF ESC AND THE RESTRICTED SUBSIDIARIES

Insofar as the representations and warranties set forth in Section 4 of the Lenders Loan Agreements relate to such corporations, ESC and each of the Restricted Subsidiaries make such representations and warranties as if set forth herein in full.

ARTICLE 4.

AFFIRMATIVE COVENANTS OF THE BORROWER

The Borrower covenants that, from and after the first Closing under the Lenders Loan Agreements and so long as any of the Lenders Notes remain Outstanding:

4.01. *Payment of Lenders Notes.* The Borrower will duly and punctually pay or cause to be paid the principal of, premium, if any, and interest on, and any other amount due under, the Lenders Notes in accordance with the terms thereof and hereof. Concurrently with any such payment the Borrower will mail notice of such payment to the Trustee and EDA.

4.02. *Performance of Lenders Loan Agreements and Lenders Notes.* The Borrower will faithfully perform and comply with all covenants, agreements and conditions on its part contained in this Indenture, the Lenders Loan Agreements and in the Lenders Notes.

4.03. *Completion of Program; Use of Proceeds.* The Borrower will, and will cause WSC to, cause the Program to be completed with due diligence and care and to use the proceeds received by the Borrower from time to time on account of the Lenders Loan solely for the purposes for which such proceeds are authorized under this Indenture and not otherwise. At the completion of each Project in the Program, the Borrower will deliver an Officers' Certificate to EDA as to the completion of such Project and will cause the Senior Engineer of WSC to deliver to EDA a certificate certifying that the Project has been completed in a proper manner and in accordance with generally accepted engineering standards and established industry practices. At the completion of the Program, an Officers' Certificate and a certificate of the Senior Engineer of WSC shall similarly be delivered to EDA as to the completion of the Program, together with an Officers' Certificate of the PIE that the Program has been completed.

4.04. *Existence.* The Borrower will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter or statutory) and franchises and those of its Subsidiaries and will comply and cause its Subsidiaries to comply in all material respects with all laws and governmental regulations of the United States of America, any political subdivision thereof and any other jurisdiction, domestic or foreign, applicable to the Borrower and its Subsidiaries which are necessary to transact business under any such laws and governmental regulations except in those cases where the Borrower or one of its Subsidiaries is contesting in good faith the applicability or application of any such law or regulations to it and its operations by appropriate administrative or judicial proceedings and such contest does not jeopardize the security for the Lenders Notes and the obligations of the Borrower and its Subsidiaries hereunder and under the Security Agreements; *provided, however,* that nothing in this Section 4.04 shall prevent the Mining Interests Subsidiaries from discontinuing operations in any particular location or terminating the corporate existence, rights and franchises of such Subsidiary if such discontinuation or termination is not otherwise in violation of this Indenture or the other Security Agreements and, in the opinion of the Borrower, is in the best interest of the Borrower and not disadvantageous to the Lenders, or the Holders of the Lenders Notes.

4.05. *To Maintain Office or Agency.* The Borrower will maintain an office or agency in the City of Chicago, State of Illinois, where notices, presentations and demands to or upon the Borrower in respect of the Notes may be given or made.

4.06. *Payment of Taxes.* The Borrower will, and will cause each of its Subsidiaries to, pay and discharge or cause to be paid and discharged before the same shall become in default, all taxes, assessments and governmental charges lawfully levied or imposed upon it or upon its income or profits, or upon any of its properties or assets, or upon any collateral for the Lenders Notes or upon income therefrom, or upon the Lien or interest of the Holders of the Lenders Notes under the Security Agreements, as well as all lawful claims for labor, materials and supplies, which, if unpaid, might by law become a Lien of any nature upon any of such properties; *provided, however,* that the Borrower shall not be in default under this Section 4.06 on account of the non-payment of any such charges or the creation of any Liens, the validity of which are being contested in good faith and by proper proceedings by the Borrower or one of its Subsidiaries, and which Liens do not in the aggregate materially impair the use of such assets in the operation of the business of the Borrower or such Subsidiary or materially impair the security for the Lenders Notes and the obligations of the Borrower or any of its Subsidiaries hereunder or under the other Security Agreements.

4.07. *Payment of Indebtedness.* The Borrower will, and will cause each of its Subsidiaries to, pay or cause to be paid the principal of and interest on its or their respective items of Indebtedness from time to time outstanding, promptly at the time and in the manner specified either in the instruments evidencing such Indebtedness or in the instruments pursuant to which such Indebtedness was created.

4.08. *Insurance.*

(a) With respect to the Mortgaged Property, the Borrower will, and will cause each of the Restricted Subsidiaries to,

(1) insure with carriers of recognized standing such of its property as would normally be insured by companies operating similar businesses and properties against all risks usually insured against by such companies and in amounts customarily carried by such companies (except that the Borrower or such Subsidiary may self-insure not in excess of \$500,000 (\$1,000,000 after the earlier of the completion of the Program or payment of the Chase Notes) of such risks);

(2) maintain, in respect of the business carried on by the Borrower and the Restricted Subsidiaries, public liability and other insurance with carriers of recognized standing in such amounts and against such risks and claims consistent with prudent business practice as are usually carried by companies operating businesses and properties of the character at the time owned by the Borrower and the Restricted Subsidiaries, including, without limitation, insurance against claims for personal injury, death or property damage suffered by others upon or in or about any premises occupied by it or occurring as a result of its maintenance or operation of any automobiles, trucks or other vehicles or airplanes or other facilities (except that the Borrower or such Subsidiary may self-insure not in excess of \$500,000 (\$1,000,000 after the earlier of the completion of the Program or payment of the Chase Notes) of such risks);

(3) maintain, in respect of the business carried on by the Borrower and the Restricted Subsidiaries, all such workmen's compensation or similar insurance (or equivalent self-insurance plan) as may be required under the laws of any territory, state, province or other jurisdiction in which it may be so engaged in business; and

(4) if required by the Director, carry flood insurance, and during the construction of the Program require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Director may specify and with insurance carriers acceptable to the Director.

(b) The policies of insurance required by clause (1) of paragraph (a) above on any property owned by the Borrower or any of the Restricted Subsidiaries shall (i) name the Borrower, each such Subsidiary which owns any property covered thereby, the Trustee and such additional Persons as the Trustee shall require as assureds as their respective interests shall appear, (ii) be made payable to (without contribution by) the Trustee under a "loss payee" clause acceptable to the Trustee, (iii) contain an agreement by the insurer that it will not cancel or modify such policy except after 30 days' prior written notice sent by registered mail to the Trustee and that the interest of the Trustee in such policy shall not be invalidated by any act or neglect of any insured or any owner of the property covered by such policy or of any other Person other than the Trustee, or by any foreclosure or other act or proceeding or notice of sale relating to such property, or by any change in title or ownership of such property or by the occupation or use of such property for purposes more hazardous than permitted by such policy, (iv) insure the Trustee regardless of any breach or violation of any warranties, declarations or conditions contained in such policies by the Borrower, any of the Restricted Subsidiaries or any other Person (other than the Trustee), (v) expressly provide that all provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured and (vi) include a waiver of all rights of the underwriters of subrogation against the Trustee, any successor in interest of any owner of the property covered thereby, the Borrower, any of the Restricted Subsidiaries and the Holders of the Lenders Notes, and waive all rights of the underwriters to any set-off or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of the Trustee, the Borrower or any such Subsidiary. The Borrower or any such Subsidiary shall not be required to obtain policies of insurance containing the terms described in clauses (iii), (iv), (v) and (vi) of the preceding sentence if policies of insurance containing such clauses are unavailable from insurers of recognized standing. Anything in this Section 4.08 to the contrary notwithstanding, the Borrower may make such arrangements for insurance with respect to inventory and accounts receivable owned by WSC Sales as Chase may require pursuant to the Chase Revolving Credit Agreement, the Chase Working

Capital Loan Agreement and the Chase Security Agreements and the disposition of the proceeds of any such insurance shall be in accordance with the requirements of Chase pursuant to the Chase Revolving Credit Agreement, the Chase Working Capital Loan Agreement and the Chase Security Agreements.

(c) All insurance proceeds received by the Trustee under the provisions of paragraph (a)(1) of this Section 4.08 shall upon receipt, be deposited into the Restoration Fund and shall be disbursed for Restoration upon the receipt by the Trustee of:

(1) an Officers' Certificate of the Borrower (x) describing in reasonable detail the Restoration done and materials purchased in connection therewith, or if a deposit or downpayment is required before the Restoration can be done, describing the contract pursuant to which such downpayment is required, (y) stating the cost of the Restoration and materials purchased or the amount of such downpayment, and the specific amount requested to be paid out of the Restoration Fund and (z) stating that no Event of Default has occurred which is continuing; and

(2) an Opinion of Counsel to the effect that (y) such Restoration is not subject to materialmen's and mechanics' Liens other than those which will be released upon payment, any Lien other than the Lien of this Indenture or any Lien (which shall be specified) other than a Permitted Lien and (z) no supplement to this Indenture or other instrument is necessary for the purpose of subjecting the Restoration to the Lien hereof except such, if any, as may be delivered to the Trustee with such Opinion of Counsel and, if any such supplement or other instrument be delivered to the Trustee, the same has been duly executed and delivered by the Borrower and/or one or more of the Restricted Subsidiaries, as appropriate, and subjects such Restoration to the Lien hereof.

(d) The Borrower will deliver to the Trustee within 30 days after (i) the close of each fiscal year of the Borrower and (ii) any request therefor from the Trustee, an Officers' Certificate stating that the insurance maintained by the Borrower and the Restricted Subsidiaries complies with the covenants contained in this Section 4.08 or if such insurance does not so comply with the details of such non-compliance and what actions the Borrower is taking to effect compliance. At the request of EDA, the Borrower will furnish to EDA and the Trustee a certificate or opinion signed by a firm of insurance brokers satisfactory to EDA stating that the insurance maintained by the Borrower and the Restricted Subsidiaries complies with the covenants contained in this Section 4.08.

(e) The Borrower will, annually, within 90 days of the close of each fiscal year of the Borrower, deliver to the Trustee, an Officers' Certificate stating that all amounts of insurance proceeds required by the provisions of Sections 2.04 and 4.08 to have been applied to the renewal, repair, rebuilding or other replacement of the property owned by it or any of the Restricted Subsidiaries or to deposits or downpayments in respect thereof during such fiscal year have been so applied or if not so applied, the reasons therefor.

4.09. Maintenance of Property. The Borrower will, and will cause each of its Subsidiaries to, cause all properties and assets used or useful in the conduct of its business and owned or held under lease by it to be maintained and kept in good condition, repair and working order to the extent consistent with prudent business practice (except that assets acquired pursuant to the July 31, 1977 Agreement (other than assets involved in the Program) shall be maintained and kept in at least such condition, repair and working order as existed on July 31, 1977 to the extent consistent with prudent business practice, reasonable wear and tear excepted), and supplied with all necessary equipment and will cause to be made all such repairs, renewals and replacements thereof as may be necessary to the extent consistent with prudent business practice so that the businesses carried on in connection therewith may be properly and advantageously conducted at all times.

4.10. Destruction. In the case of any Destruction, the Borrower will promptly give written notice thereof to the Trustee, the Holders of the Lenders Notes, EDA and Harvester, generally describing the nature and extent of such Destruction. In case of Partial Destruction, the Borrower will, at its expense, whether or not the insurance proceeds, if any, on account of such Destruction shall be sufficient for the

purpose, promptly commence and complete or cause to be commenced or completed the Restoration of the Mortgaged Property as nearly as possible to its value immediately prior to such Destruction.

4.11. *Taking.*

(a) In case of a Taking, or the commencement of any proceedings or negotiations which might result in a Taking, the Borrower will promptly give written notice thereof to the Trustee, the Holders of the Lenders Notes, EDA and Harvester, generally describing the nature and extent of such Taking or the nature of such proceedings or negotiations and the nature and extent of the Taking which might result therefrom, as the case may be.

(b) The Borrower hereby irrevocably assigns, transfers and sets over to the Trustee all rights of the Borrower to any award or payment on account of any Taking. The Borrower will in good faith and with due diligence (i) file and prosecute what would otherwise be the Borrower's claim for any such award or payment and (ii) cause the same to be collected and paid over to the Trustee, and will irrevocably authorize and empower the Trustee, in the name of the Borrower or otherwise, to collect and to receipt for any such award or payment, and, in the event the Borrower fails so to act or is otherwise in default hereunder, to file and prosecute such claim. The Borrower will pay, or cause to be paid, all costs, fees and expenses reasonably incurred by the Trustee in connection with any Taking and seeking and obtaining any award or payment on account thereof.

(c) In case of a Partial Taking, the Borrower will, at its expense, whether or not the awards or payments, if any, on account of such Taking shall be sufficient for the purpose, promptly commence and complete or cause to be commenced or completed Restoration of the Mortgaged Property, except to the extent made impossible by any reduction in area caused by such Taking, *provided* that in case of a Taking for temporary use the Borrower shall not be required to effect Restoration until such Taking is terminated.

4.12. *Compliance with Environmental and Safety Requirements.* The Borrower will, and will cause each of its Subsidiaries to, use its best efforts to comply with all applicable Federal, state and local governmental laws and regulations relating to air and water pollution and to safety, health and discrimination, including standards imposed by the Federal Environmental Protection Agency and by the Water Pollution Control Act of 1973 and the Occupational Safety and Health Act of 1970. If any governmental or regulatory authority shall initiate or commence any material judicial action or proceeding against the Borrower or any of its Subsidiaries to enforce compliance with the provisions of any of the aforementioned laws and regulations, the Borrower or such Subsidiary will (a) promptly give notice of such action or proceeding to the Trustee, EDA, Harvester and to each Holder of the Lenders Notes and (b) unless such action or proceeding shall be contested by the Borrower or such Subsidiary, use its best efforts to comply with any order, judgment or ruling in such action or proceeding or take such other action as may be necessary to nullify the basis thereof.

4.13. *Financial Statements, etc.* The Borrower will deliver, on a timely basis, to the Trustee, EDA and Harvester the financial statements and other information required to be delivered to the Lenders pursuant to section 6.1 of the Lenders Loan Agreements as in effect on the date hereof, including the opinion thereon of Coopers & Lybrand, or other Independent Public Accountants selected by the Borrower and satisfactory to EDA and Harvester. The Borrower will cause Coopers & Lybrand or other Independent Public Accountants acceptable to EDA to provide the Trustee, EDA and Harvester, annually with appropriate disclosure and evaluation of expense controls of the Borrower and its Subsidiaries.

4.14. *Access to Books and Records.* The Borrower will, and will cause each of its Subsidiaries to, afford the Trustee, the Secretary of Commerce, the Assistant Secretary of Commerce for Economic Development, the Comptroller General of the United States, Harvester or any of their duly authorized delegates and representatives, such rights of inspection as are set forth in section 6.2 of the Lenders Loan Agreements as in effect on the date hereof. To the extent permitted by law, any information obtained under

this Section 4.14 with respect to the Borrower and its Subsidiaries and their business shall be kept confidential by the party or parties to whom such information is given.

4.15. *Maintenance of Books and Records.* The Borrower and each of its Subsidiaries will maintain, for a period of three years after the date the Lenders Notes are Paid in Full in Cash, records setting forth the amount and the disposition by the Borrower of the proceeds of the Lenders Loan, the total cost of the Program, the amount and nature of any of that portion of the final costs of the Program which were supplied by other sources and such other records as, in the opinion of the Director, will facilitate an effective audit of the Program.

4.16. *Inspection of Projects.* Without in any way limiting the generality of the provisions of Section 4.14, the Borrower will, and will cause each of the Restricted Subsidiaries to, permit the authorized representatives of the Trustee, EDA and Harvester to make inspections and appraisals of any assets located at the site of any of the Projects and of any other assets, wherever located, which serve as security for the Lenders Notes, in such manner and at such times as may be reasonable.

4.17. *Transactions with Affiliates.* The Borrower will, and will cause each of its Subsidiaries to deal with their respective Affiliates (other than the Borrower and its Subsidiaries), their respective officers or directors, or members of the immediate family of any such officer or director who has a financial interest in any such Affiliate, as if the Borrower or such Subsidiary was dealing with unaffiliated parties. Without the consent of EDA, the Borrower will not, and will not permit any of its Subsidiaries to, have any dealings with any Affiliate (other than Borrower or its Subsidiaries), except that the Borrower and any of its Subsidiaries may deal with Envirodyne or any of its Affiliates as permitted by Section 5.08. The Borrower has heretofore delivered to each Lender and to EDA a list describing existing dealings with Affiliates (other than dealings between Borrower and its Subsidiaries) together with a certificate signed by the President of the Borrower stating that each such dealing is on terms substantially as advantageous to the Borrower or one of its Subsidiaries, as the case may be, as would have been obtained in a comparable arm's length dealing with a Person not an Affiliate.

4.18. *Discrimination.* The Borrower will, and will cause each of the Restricted Subsidiaries to, use its best efforts to assure that no Person in the United States shall, on the ground of race, religion, national origin, creed, color or sex, be excluded from participating in, be denied the benefits of, or be otherwise subject to discrimination in connection with the Program.

4.19. *Compliance with Building Codes.* The Borrower will, and will cause each of the Restricted Subsidiaries to, comply with all state and local building codes, zoning and use ordinances applicable to the Program.

4.20. *Performance and Payment Bonds.* The Borrower will, and will cause each of the Restricted Subsidiaries to, use its best efforts to secure performance and payment bonds with respect to the Program with such sureties and in such amounts, if any, as the PIE may require.

4.21. *PIE Agreement.* The Borrower will cause WSC to and WSC will enter into and maintain a project inspection agreement in form and substance satisfactory to EDA with a project inspection engineer acceptable to EDA.

4.22. *Instruments of Further Assurance.* ESC, the Borrower and the Restricted Subsidiaries shall do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such acts, instruments, including supplemental indentures, and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, assigning, mortgaging, pledging and confirming unto the Trustee all and singular the estates, rights, revenues and receipts and moneys, securities and other property described or referred to herein as assigned, mortgaged or pledged hereby or pursuant hereto.

4.23. *Use of Certain Forms.* The Borrower will, and will cause each of the Restricted Subsidiaries to, use its best efforts to obtain the following properly executed forms, or forms substantially similar thereto, in connection with any construction undertaken with respect to the Projects:

(a) ED-237 "Agreement of Compliance—Construction Contracts" relating to the requirements of: Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5 1970); Contract Work Hours and Safety Standards Act, as amended (40 U.S.C. 327-333, 1979); Copeland Act, as amended (40 U.S.C. 275 [c]); Title VI of the Civil Rights Act of 1964 and Executive Order 11246 (1965).

(b) ED-119, "Certification of Bidder regarding Equal Employment Opportunity".

(c) ED-120, "Certification of Proposed Subcontractor regarding Equal Employment Opportunity".

(d) Compliance with Public Works and Economic Development Act of 1965.

4.24. *Accommodation of Physically Handicapped Persons.* The Borrower will, and will cause each of the Restricted Subsidiaries to, comply with the standards prescribed by the General Services Administration in accordance with P.L. 90-480 (72 U.S.C. §§ 4151-4156 [1970]) for the future design and construction of buildings to accommodate physically handicapped persons.

4.25. *Wages and Prices in the Construction Industry.* The Borrower will, and will cause each of the Restricted Subsidiaries to, comply with any requirement or condition imposed by the United States of America to implement any applicable Executive Order, statute or regulation regarding the stabilization of wages and prices in the construction industry.

4.26. *Consent to Jurisdiction.* The Borrower hereby consents to the jurisdiction of the courts of the States of New York and Illinois and the District of Columbia or any Federal court sitting in the State of New York or Illinois or the District of Columbia. Any action or proceeding brought by the Borrower to enforce any right, assert any claim or obtain any relief whatsoever in connection with this Indenture or the Lenders Notes shall be brought by the Borrower exclusively in the courts of the States of New York and Illinois and the District of Columbia or in any Federal court sitting in the State of New York or Illinois or the District of Columbia. The Borrower will not insist upon or plead or in any manner whatsoever claim and will resist any and all efforts to be compelled to take the benefit or advantage of usury laws wherever enacted, now or at any time hereafter in force in connection with any claim, action or proceeding which may be brought by any Person in order to enforce any right or remedy under this Indenture or the Lenders Notes.

4.27. *After-Acquired Property.* All property acquired by the Borrower or any of the Restricted Subsidiaries after the date hereof, which by the terms hereof is required or intended to be subjected to the Lien of this Indenture, shall, immediately upon the acquisition thereof by the Borrower or such Restricted Subsidiary and without further mortgage, conveyance or assignment, become subject to the Lien of this Indenture as fully as though now owned by the Borrower or such Restricted Subsidiary and specifically described herein. Nevertheless, the Borrower or such Restricted Subsidiary will notify the Trustee of the acquisition of all such property and will do all such further acts and execute, acknowledge and deliver all such further conveyances, mortgages, financing statements and assurances as the Trustee shall reasonably require for accomplishing the purposes of this Indenture or as may be required pursuant to Article 6.

4.28. *Capital and Operating Budgets.* Not less than 30 days prior to the beginning of each of the Borrower's fiscal years subsequent to the fiscal year ending December 31, 1979, the Borrower will submit to EDA for approval, capital and operating budgets for the Borrower and its Subsidiaries for each such fiscal year. The Borrower shall make capital and operating expenditures in accordance with the budget approved by EDA and no material change in capital or operating budget expenditures shall be made without the prior approval of EDA.

4.29. *Compliance with Applicable Laws.* The Borrower shall comply, and shall cause each of its Subsidiaries to comply, with the requirements of all applicable laws, rules, regulations and orders of any

governmental body or regulatory authority a breach of which could have a material adverse effect upon the financial condition or business of the Borrower or any of its Subsidiaries, except where contested in good faith and by proper proceedings.

ARTICLE 5.

NEGATIVE COVENANTS OF THE BORROWER

The Borrower covenants that from and after the first Closing under the Lenders Loan Agreements and so long as any of the Lenders Notes remain Outstanding:

5.01. *Limitation on Indebtedness and Capital Lease Obligations.* The Borrower will not, and will not permit any of its Subsidiaries to, incur or otherwise become or be liable in respect of any Indebtedness or Capital Lease Obligations except

- (a) Indebtedness of the Borrower and the Restricted Subsidiaries under the Lenders Notes;
- (b) Indebtedness of the Borrower and the Restricted Subsidiaries under the Chase Notes;
- (c) Indebtedness of WSC Sales incurred under the Chase Revolving Credit Agreement, including any replacement, extension, renewal or refunding thereof;
- (d) Indebtedness of the Borrower and its Subsidiaries outstanding on the date hereof and set forth in Exhibit L to the Lenders Loan Agreements, but no extension, renewal or refunding thereof except as permitted by this Section 5.01;
- (e) Indebtedness of the Borrower under the Harvester Standby Agreement, including any replacement, extension, renewal or refunding thereof;
- (f) Indebtedness of WSC in respect of the loan of an aggregate principal amount of \$10,000,000 from the City of Chicago in connection with an Urban Development Action Grant to such City and the guarantees of such loan by the Borrower, Steel and EDC;
- (g) additional Funded Indebtedness of the Borrower incurred to finance the repair, renewal or expansion of the capital assets of the Borrower or any of the Restricted Subsidiaries, *provided* that (x) the aggregate principal amount remaining unpaid on all such additional Funded Indebtedness shall not at any time exceed \$20,000,000, (y) after giving effect to the creation thereof, such additional Funded Indebtedness when added to all other additional Funded Indebtedness incurred in the then current calendar year shall not exceed \$2,500,000 and (z) EDA shall have consented to the incurrence of such additional Funded Indebtedness;
- (h) additional Indebtedness of WSC Sales *provided* that (x) the aggregate principal amount of all such additional Indebtedness at any time outstanding shall not exceed \$15,000,000, and (y) EDA shall have consented to the incurrence of such additional Indebtedness;
- (i) Indebtedness of the Borrower to its Subsidiaries and of its Subsidiaries to the Borrower and to each other, *provided* that (i) all such Indebtedness, other than Indebtedness represented by advances made in the ordinary course of business or made by WSC Sales to WSC or as contemplated by the provisions of the Harvester Standby Agreement and the Chase Revolving Credit Agreement by the Borrower to WSC Sales or by WSC Sales to the Borrower, shall be evidenced by promissory notes and (ii) no such Indebtedness, other than Indebtedness represented by advances made in the ordinary course of business, shall be owed by one Restricted Subsidiary to another Restricted Subsidiary;
- (j) Indebtedness of Empire and Marquette relating to Empire and Marquette partnership investments in iron ore mining properties upon which Empire or Marquette is obligated by reason of being partners in the Mining Partnerships, and:

(k) Indebtedness of the Borrower to EDA in respect of payments made by EDA to the Lenders to cure any Default in the payment of the principal of or interest on the Lenders Notes.

5.02. *Limitation on Sale and Leaseback and Rental Obligations.*

(a) The Borrower will not, and will not permit any of the Restricted Subsidiaries to, sell or otherwise dispose of real or personal property or any interest therein if such property is being sold or otherwise disposed of for the purpose of or in connection with the lease to the Borrower or any such Subsidiary of all or any part of such property or of similar property or of other property for a purpose similar to the purpose for which the property was held by the Borrower or such Subsidiary.

(b) Without the consent of EDA, the Borrower will not, and will not permit any of its Subsidiaries to incur rental obligations for leases of property, real or personal, other than (i) rental obligations heretofore incurred or arising from the renewal, extension or novation of leases existing on the date hereof and additional rental obligations arising under new leases, *provided* that the aggregate amount of all rental obligations outstanding immediately after such incurrence does not exceed the aggregate amount of all rental obligations outstanding on the date hereof, (ii) rental obligations of the Mining Partnerships for which Empire or Marquette is obligated (and not the Borrower or any other Subsidiary of Borrower) by reason of being a partner in the Mining Partnerships, (iii) rental obligations under leases of office space and data processing equipment used or to be used by the Borrower or a Subsidiary of the Borrower, (iv) rental obligations of CWP under leases containing no readily determinable minimum required payments and (v) additional rental obligations for real or personal property ancillary to the primary business being conducted from time to time by the Borrower and its Subsidiaries and not essential to such primary business, *provided* that the aggregate amount of rental obligations payable during the unexpired terms of all leases outstanding under this clause (v) shall not at any time exceed \$1,000,000 (determined on a consolidated basis). The Borrower has heretofore delivered to each Lender and EDA a list of all existing leases of the Borrower and its Restricted Subsidiaries.

5.03. *Limitation on Liens.* The Borrower will not, and will not permit any of its Subsidiaries to, create or incur or suffer or permit to be created or incurred or to exist any Lien on any property or assets, real or personal, tangible or intangible, whether now owned or hereafter acquired, other than Permitted Liens and the Lien subordinate to the Lien of this Indenture, securing the Indebtedness referred to in Section 5.01 (f).

5.04. *Consolidated Working Capital.* The Borrower will not permit its Consolidated Working Capital as at the end of any fiscal year specified in the table below to be less than the amount set forth below opposite such fiscal year:

<u>Fiscal Year</u>	<u>Consolidated Working Capital</u>
1979	\$(60,000,000)
1980	(60,000,000)
1981	(57,000,000)
1982	(56,000,000)
1983 and thereafter	(52,000,000)

5.05. *Consolidated Tangible Net Worth.* The Borrower will not permit its Consolidated Tangible Net Worth as at the end of any of the fiscal periods specified in the table below to be less than the amount set forth below opposite such fiscal period:

<u>Fiscal Period</u>	<u>Consolidated Tangible Net Worth</u>
Year ending December 31, 1979	(\$63,000,000)
Quarter ending March 31, 1980	(\$69,000,000)
Quarter ending June 30, 1980	(\$66,000,000)
Quarter ending September 30, 1980	(\$64,000,000)

5.06. *Cumulative Consolidated Tangible Net Worth.* The Borrower will not permit its Consolidated Tangible Net Worth as at the end of the fiscal year ending December 31, 1980 to be less than the sum of \$1,000,000 *plus* its actual Consolidated Tangible Net Worth (the "1979 Net Worth") as at the end of the fiscal year ending December 31, 1979, will not permit Consolidated Tangible Net Worth at the end of the fiscal quarter ending March 31, 1981 to be less than 1979 Net Worth and thereafter, subject to any increase which may be required to be made to such amounts pursuant to the provisos below, will not permit its Consolidated Tangible Net Worth as at the end of any of the fiscal periods specified in the table below to be less than the 1979 Net Worth plus the amount set forth below opposite such fiscal period:

<u>Fiscal Period</u>	<u>Additional Net Worth</u>
Quarter ending June 30, 1981	\$ 1,000,000
Quarter ending September 30, 1981	\$ 1,000,000
Year ending December 31, 1981	\$11,000,000
Quarter ending March 31, 1982	\$11,000,000
Quarter ending June 30, 1982	\$11,000,000
Quarter ending September 30, 1982	\$11,000,000
Year ending December 31, 1982	\$21,000,000
Quarter ending March 31, 1983	\$21,000,000
Quarter ending June 30, 1983	\$21,000,000
Quarter ending September 30, 1983	\$21,000,000
Year ending December 31, 1983 and each quarter or year thereafter	\$36,000,000

provided that each of such amounts set forth in the table above opposite any fiscal period shall be increased by an amount equal to the sum of:

(i) 25% of the excess of its Consolidated Net Income, if any, for the fiscal year ending December 31, 1980 over \$1,000,000; *plus*

(ii) if such amount is set forth opposite a fiscal period which is on or after March 31, 1982, 25% of the excess of its Consolidated Net Income, if any, for the fiscal year ending December 31, 1981 over \$10,000,000; *plus*

(iii) if such amount is set forth opposite a fiscal period which is on or after March 31, 1983, 25% of the excess of its Consolidated Net Income, if any, for the fiscal year ending December 31, 1982 over \$10,000,000; *plus*

(iv) if such amount is set forth opposite a fiscal period which is on or after March 31, 1984, 25% of the excess of its Consolidated Net Income, if any, for the fiscal year ending December 31, 1983 over \$15,000,000,

provided further that in determining the sum set forth above for any fiscal period, the result obtained pursuant to any of clauses (i) through (iv) above shall, if \$750,000 or less (including any negative result), be deemed to be zero and, if more than \$750,000 shall be rounded to the nearest \$1,000,000.

5.07. *Limitation on Dividends, Stock Repurchases and Other Payments and Distributions.* The Borrower will not (a) declare or pay any dividends on any of its shares of capital stock of any class (other than dividends payable solely in shares of common stock of the Borrower), (b) redeem, retire, purchase or otherwise acquire, directly or indirectly, any shares of any class of capital stock of the Borrower now or

hereafter outstanding, or any warrants, rights or options to acquire any such shares of capital stock or (c) make or commit to make any other distribution in respect of any such capital stock, *provided* that after August 1, 1990, the Borrower may declare and pay cash dividends on shares of its capital stock if, but only if, at the time of such declaration and payment and after giving effect thereto:

(i) no Default shall exist; and

(ii) the amount of such dividends paid or to be paid shall not exceed the retained earnings of the Borrower.

5.08 *Limitation on Payments to Envirodyne; Budgets.* The Borrower will not, and will not permit any of its Subsidiaries to, make any payments to Envirodyne or any of its Affiliates (other than the Borrower and its Subsidiaries) except in accordance with Section 4.17, 5.07 or 5.14 or this Section 5.08. Prior to October 30, 1979, with respect to the period from the first Closing to December 31, 1979, and not less than 30 days prior to the beginning of each of the Borrower's fiscal years thereafter, the Borrower will submit to EDA for its approval a budget covering (i) costs for reasonable employee benefits (such as health and life insurance, pension, stock plan and similar fringe-type benefits for employees of the Borrower and its Subsidiaries) to be rendered by Envirodyne and its Affiliates (other than the Borrower and its Subsidiaries) for the Borrower and its Subsidiaries, (ii) an allocation of reasonable costs for general corporate overhead and services, including personnel and (iii) an allocation of reasonable costs for regulatory compliance. Payment for general corporate overhead and services shall be on an actual cost, rather than flat fee, basis. The Borrower and its Subsidiaries shall be permitted to make payments substantially in accordance with the approved budget. Payment of any material increase in the total budget shall be made only with the approval of EDA. Notwithstanding anything to the contrary contained in this Section 5.08, the Borrower and its Subsidiaries shall not be prohibited from making payments to Envirodyne or its Affiliates with respect to reasonable costs and expenses incurred by Envirodyne or its Affiliates on behalf of the Borrower or any of its Subsidiaries. After the end of each fiscal year of the Borrower, the Borrower shall cause its Independent Public Accountants to issue a report in reasonable detail as to adherence by the Borrower with the provisions of this Section 5.08, and will deliver a copy of such report to EDA and Harvester.

5.09 *Officers' Compensation.* Until the aggregate principal amount of the Lenders Notes and the Chase Notes following the original issue thereof in the aggregate principal amount of \$90,000,000 is reduced by 30%, the Borrower will not pay aggregate base salary compensation to the group of officers enumerated below in excess of an aggregate amount of \$490,000 in calendar year 1979 and it will not increase such aggregate amount in excess of 7% of the amount of the prior year's permissible aggregate compensation during the three calendar years following the date of the EDA-Lenders Guarantee Agreement (calendar years 1980, 1981, and 1982). The aggregate amount of compensation may, with respect to each year subsequent to such three year period, be increased by a sum not in excess of 10% of the amount of the prior year's permissible aggregate compensation. The officers to which the foregoing limitations shall apply are the President, Senior Vice President-Finance and Administration, Vice President-Administration, Vice President-Marketing, Vice President-Operations, and Vice President-General Counsel. If the Borrower adds additional senior executive officers (Vice Presidents or higher), the amount of the limitation upon the base salary compensation otherwise permitted by the foregoing provisions shall be increased in the year in which such officers are added by the amount of base salary paid to each such officer in such year and, as increased, shall be included (on an annualized basis) in the amount upon which the percentage increases are computed for the following year. Any cash incentive payments made by the Borrower under any plan for cash incentive payments to the officers specified in this Section 5.09 shall not be subject to the foregoing limitation, but any such plan must have the prior approval of EDA. Notwithstanding anything to the contrary contained in this Section 5.09, if (a) the salary levels permitted hereunder are non-competitive at any time and increases are required in order to attract or retain qualified officers, EDA will not unreasonably withhold its approval to any request by the Borrower for any such increase in the compensation payable or (b) the Borrower establishes a formal policy on executive compensation, together with adequate controls to insure adherence to the policy, then such policy may be substituted for the provisions of this Section 5.09 with the prior consent of the EDA.

5.10. *Limitations on Investments.* The Borrower will not, and will not permit any of its Subsidiaries to, make, acquire or suffer to exist any Investment in any Person other than:

- (a) Investments in Authorized Securities;
- (b) guarantees and other contingent liabilities represented by endorsements of negotiable instruments for collection in the ordinary course of business;
- (c) Investments in the Borrower and its Subsidiaries and;
- (d) guarantees by the Borrower and its Subsidiaries reflected in the Borrower's June 30, 1979 financial statements delivered pursuant to the Lenders Loan Agreements or as set forth in Exhibit L.

5.11. *Disposition of Assets.* Other than in the normal course of business or as specified below in this Section 5.11, the Borrower will not, and will not permit any of the Restricted Subsidiaries to, sell, transfer or otherwise dispose of any material portion of its properties or assets, tangible or intangible, except for sales of inventory or as a part of a transaction permitted by Section 5.12 or 5.13. The Borrower and the Restricted Subsidiaries may make sales of assets if (a) the fair market value (as determined reasonably and in good faith by the Borrower) of all such properties and assets sold, transferred or otherwise disposed of during any one fiscal year shall not have exceeded \$500,000 (exclusive of sales made pursuant to clause (b) below) or (b) such assets are worn-out, obsolete, damaged or destroyed or are not otherwise useful in the business of the Borrower or any of the Restricted Subsidiaries, *provided* that the proceeds of any such sale are used exclusively to replace such assets with other assets useful in the business of the Borrower or any of the Restricted Subsidiaries of at least equal value.

5.12. *Transfer of Assets, Consolidation or Merger.* The Borrower will not, and will not permit any of its Subsidiaries to, consolidate with, merge into, or sell, lease or otherwise dispose of its respective properties as an entirety or substantially as an entirety to, any Person, unless:

- (a) the transferee or the Person formed by or resulting from such consolidation or merger
 - (1) shall be a corporation organized under the laws of the United States or any state thereof or the District of Columbia, and
 - (2) shall have, in writing, expressly assumed the obligations of the Borrower or such Subsidiary under the Lenders Notes, the Lenders Loan Agreements, this Indenture, and the other Security Agreements according to their terms and the due and punctual performance and observance of all the obligations, covenants and conditions of the Lenders Notes, the Lenders Loan Agreements, this Indenture, and the other Security Agreements to be performed or observed by the Borrower or such Subsidiary;
- (b) such transfer, consolidation or merger will not result in the transferee or successor Person being in default under any provisions of or applicable to the Lenders Notes, the Lenders Loan Agreements, this Indenture, or the other Security Agreements;
- (c) no Indebtedness of the transferee or successor Person shall be secured by the Security Agreements unless the transferee or successor Person was, prior to the transfer or succession, one of the Borrower's Subsidiaries and then only to the extent that any Indebtedness of such Subsidiary was so secured;
- (d) the Trustee, the Holders of the Lenders Notes, EDA and Harvester shall have received in connection therewith such satisfactory documents and opinions of counsel for such transferee or successor Person and the Company as the Trustee, the Holders of the Lenders Notes, EDA and Harvester shall reasonably request; and
- (e) none of the Trustee, the Holders of the Lenders Notes, EDA or Harvester shall have disapproved in writing such transaction within 10 days of receipt by it of notice of any such transaction.

To the extent Borrower or one of the Restricted Subsidiaries is involved in a merger permitted hereunder, the Trustee will release any shares of such entity which are pledged pursuant to this Indenture to the extent

necessary to facilitate such merger provided equivalent shares are pledged pursuant to this Indenture when such merger becomes effective.

5.13. *Issue of Shares of Subsidiaries; Disposition of Shares and Indebtedness of Subsidiaries.* The Borrower will not permit any of its Subsidiaries to issue, sell or otherwise dispose of any of its shares of any class, or any securities convertible into or exchangeable for or carrying rights to subscribe for its shares of any class. The Borrower will not sell, transfer or otherwise dispose of any shares (except to qualify directors) or its right to receive payment on account of any Indebtedness from any of its Subsidiaries or permit any of its Subsidiaries to sell, transfer or otherwise dispose of (except to the Borrower or to any other Subsidiary of the Borrower or to qualify directors) any shares or, except as provided in the Chase Security Agreements, of its right to receive payment on account of any Indebtedness of any Subsidiary of the Borrower.

5.14. *Tax Consolidation.*

(a) For any taxable period (including any period with respect to which an installment of estimated tax is or was due) with respect to which the Borrower or any of its Subsidiaries files a consolidated Federal income tax return with Envirodyne or with respect to which the Borrower or any of its Subsidiaries files a consolidated, combined or unitary state or local income or franchise tax return with Envirodyne or any Subsidiary of Envirodyne (other than the Borrower and its Subsidiaries), the Borrower shall pay to Envirodyne an amount equal to its Separate Income Tax Liability for such taxable period and shall pay or cause each Subsidiary to pay to Envirodyne an amount equal to the Separate Income Tax Liability of such Subsidiary for such taxable period. As used in this Section 5.14 only, "Separate Income Tax Liability" shall mean a corporation's Federal income tax liability and the state and local franchise tax liability or other tax liability measured by income as if such corporation filed separate Federal and state or local income or franchise tax returns or reports, calculated (i) without regard to any surtax exemption, if any exists; (ii) by reflecting all net operating losses, capital losses, deductions and credits against tax which would have been taken into account if a separate return had been filed by such corporation except those which have been used in computing the Separate Income Tax Liability of such corporation for any prior taxable period or have been availed of by the Affiliated Group in any prior taxable period; and (iii) using the Federal income tax rate prescribed under Section 11(b) (5) of the Internal Revenue Code of 1954 (or any successor thereto) and the maximum state and local income or franchise tax rate applicable to corporations in effect for the taxable period. "Affiliated Group" shall mean the affiliated group of corporations within the meaning of Section 1504(a) of the Internal Revenue Code of 1954 of which Envirodyne is the common parent.

(b) For any taxable year ending after the first Closing, Envirodyne shall pay to the Borrower or such of its Subsidiaries as to which the Net Savings in Tax is attributable an amount equal to 50% of the Net Savings in Tax within 60 days after the return for such taxable year is filed. The term "Net Savings in Tax" shall mean the excess, if any, of the Separate Consolidated Liability over the Consolidated Liability. "Separate Consolidated Liability" shall mean the consolidated Federal income tax liability for the taxable year of the members of the Affiliated Group computed as if the Borrower and its Subsidiaries were not members of the Affiliated Group; *provided* that such computation shall be made utilizing all net operating losses, capital losses, deductions and credits against tax of the Affiliated Group (including the Borrower and its Subsidiaries) which are attributable to any time period prior to the first Closing (any proration for a time period less than a full taxable year being made in accordance with generally accepted accounting principles) and which have not previously been used in making such computation. "Consolidated Liability" shall mean the actual consolidated Federal income tax liability for the taxable year as shown on the consolidated Federal income tax return for such year of the Affiliated Group, adjusted to reflect the elimination of any net operating losses, capital losses, deductions and credits against tax of the Borrower and any of its Subsidiaries which have been used in computing the Separate Income Tax Liability of the Borrower or any of its Subsidiaries under paragraph (a) above for such taxable year or any prior taxable period. If, subsequent to the filing of a return for a taxable year (the "Original Return"), an adjustment is made (either by an amended return, a claim for refund or by a determination of the Internal Revenue Service) to the tax liability or any item reflected in the Original Return and any such adjustment becomes operative, Net Savings in Tax

for such taxable year shall be recomputed to take account of such adjustment and an appropriate payment shall be made by Envirodyne to the Borrower or the appropriate Subsidiaries of Borrower or an appropriate refund shall be made by the Borrower or the appropriate Subsidiaries of Borrower to Envirodyne based upon such recomputed Net Savings in Tax within 60 days after such adjustment becomes operative. For purposes of the foregoing, an adjustment shall become operative at the following times: (i) if the adjustment is made by an amended return and has the effect of increasing the tax liability or items of income or decreasing deductions or credits shown or reflected on the Original Return, at the time of filing of such amended return; (ii) if the adjustment has the effect of reducing the tax liability shown on the Original Return, at the time a refund or credit of tax is received; (iii) if the adjustment has the effect of decreasing items of income or increasing deductions or other credits shown or reflected on the Original Return, but does not result in a reduction of the tax liability shown on the Original Return, at the time of filing an amended return reflecting the adjustment; or (iv) if the adjustment is made by determination of the Internal Revenue Service, at the time such determination becomes final.

5.15. *Sales of Raw Materials.* The Borrower will not, and will not permit any of the Restricted Subsidiaries to, sell to, or purchase from, any of the Mining Interest Subsidiaries any raw materials utilized by WSC at more than the fair market value of such raw materials, *provided* that the Restricted Subsidiaries shall be permitted to purchase iron ore from Empire or Marquette at the price at which Empire or Marquette is obligated to sell by reason of being partners in the Mining Partnerships.

5.16. *Non-Production of Electricity and Gas.* Other than the production and distribution of gas as a by-product from the operations of WSC, which is utilized by WSC in connection with its steel-making operations, the Borrower will not and will not permit any of the Restricted Subsidiaries to finance the cost of facilities for the generation, transmission and distribution of electrical energy or for the production or transmission of natural, manufactured or mixed gas out of any portion of the proceeds of the Lenders Loan.

5.17. *Changes in Program Plans.* Without the prior written consent of EDA, the Borrower will not and will not permit any of the Restricted Subsidiaries to (i) make any material changes in, or material variation from, the changes to plans, specifications and costs relating to the Program or (ii) change the scope or character of the Program so substantially as to affect the accomplishment of the Program.

5.18. *Ownership of Projects.* Notwithstanding the provisions of Sections 5.02, 5.11 and 5.12, the Borrower will not, without prior written consent of EDA, transfer or assign ownership or operation of any of the Projects.

5.19. *Interim Financing.* The Borrower will not permit any Project to be constructed with interim financing unless such financing shall be first approved by the Director and all requirements hereof relating to construction are satisfied during the period of construction.

5.20. *Amendments to Certain Documents.* So long as the EDA-Lenders Guarantee Agreement is in effect and any obligation of the Borrower for principal and interest guaranteed thereby shall remain unpaid, the Borrower will not, and will not permit any of its Affiliates to, amend any of the agreements referred to in subparagraphs 1 and 5 of paragraph B of the EDA-Lenders Guarantee Agreement other than (i) the July 31, 1977 Agreement as it relates to Envirosonics, (ii) the Substitute Pledge Agreement (as such term is defined in the Substitution Agreement) as it relates to Envirosonics, (iii) the Envirosonics Agreement (as that term is defined in the July 31 Agreement), (iv) the Harvestor Standby Agreement, (v) the Chase Revolving Credit Agreement, (vi) the Chase Security Agreements and (vii) the extension to the Phibro Put.

ARTICLE 6.

RECORDATION, SUBSTITUTION, ADDITIONAL PROPERTY AND RELEASE

6.01. *Recordation.* This Indenture and each amendment or other supplement hereto, shall be duly recorded and re-recorded by the Trustee in the Office of the County Recorder of Cook County, Illinois, and duly recorded, published, registered and filed and duly re-recorded, re-published, re-registered and refiled in such manner and in such places as are required to establish, perfect, preserve and protect the Lien hereof as a valid Lien of record on the Mortgaged Property, and to establish, perfect, preserve and protect the rights hereunder of the Trustee and the Trustee's successors and assigns. Financing Statements covering any security interest of the Trustee created by this Indenture shall be duly filed under the Uniform Commercial Code in the State of Illinois and any other jurisdiction required to cover the same.

6.02. *Substitution of Machinery or Equipment.* So long as no Event of Default shall have occurred and be continuing, WSC may, in addition to its rights under Section 5.11 and without the prior consent of the Trustee, EDA or Harvester, sell, trade-in, exchange or otherwise dispose of machinery and equipment constituting part of the Mortgaged Property, free from the Lien of this Indenture, upon the substitution of other machinery or equipment of substantially equal value therefor, *provided* that WSC shall have furnished to the Trustee an Officers' Certificate to such effect. In connection with any such sale, trade-in, exchange or other disposition, the Trustee will, after receipt of such Officers' Certificate, execute and deliver such documents as may be necessary to release from the Lien of this Indenture the machinery and equipment subject thereto.

6.03. *Additional Property; Supplemental Indenture, etc.*

(a) All Restorations, replacements, renewals and additions or betterments, all alterations, additions and improvements and all substitutions in respect of the Mortgaged Property shall forthwith and without further conveyance or assignment become part of the Mortgaged Property and subject to the Lien of this Indenture as fully and completely as though now part of the Mortgaged Property.

(b) Upon any real property not described in Schedule A hereto becoming part of the Mortgaged Property, ESC, the Borrower and the Restricted Subsidiaries, will enter into with the Trustee, and cause to be duly recorded, published, registered and filed, an indenture supplemental hereto or other instrument satisfactory in form to the Trustee subjecting or more fully subjecting such property to the Lien of this Indenture and shall furnish or cause to be furnished to the Trustee an Opinion of Counsel satisfactory to the Trustee to the effect that (i) the owner thereof has good and marketable title to such real property subject to no Lien other than this Indenture, the Lien, subordinate to the Lien of this Indenture, securing the Indebtedness referred to in Section 5.01(f) and Permitted Liens, (ii) such supplemental indenture or other instrument has been duly authorized, executed and delivered and is a legal, valid and binding instrument enforceable in accordance with its terms, (iii) this Indenture (including such supplemental indenture) constitutes a valid Lien on such property subject to no Lien other than the Lien, subordinate to the Lien of this Indenture, securing the Indebtedness referred to in Section 5.01(f) and Permitted Liens, (iv) each amendment or other supplement to this Indenture (including such supplemental indenture) has been duly recorded and, if required by applicable law, re-recorded in the Office of the County Recorder, Cook County, Illinois, and has been duly recorded, published, registered and filed for record and duly re-recorded, re-published, re-registered and refiled for record in such manner and in such places as are required to establish, perfect, preserve and protect the Lien hereof as a valid Lien of record on such property, and to establish, perfect, preserve and protect the rights hereunder of the Trustee and the Trustee's successors and assigns, (v) Financing Statements covering any security interest of the Trustee created by this Indenture (including such supplemental indenture) have been duly filed under the Uniform Commercial Code in the State of Illinois and in any other jurisdiction required to cover the same, (vi) all taxes, fees and other charges in connection with the execution, delivery, recording and filing for recordation of this Indenture (including such supplemental indenture) and the filing of such Financing Statements, if any, have been paid in full and

(vii) all conditions precedent provided for in this Indenture relating to such supplemental indenture or other instrument and the transactions contemplated therein have been complied with, and as to such other matters as the Trustee may reasonably request.

6.04. *Release of Lien of This Indenture—Disposition of Assets.* In connection with (i) any sale and leaseback transaction or other dispositions of assets permitted by this Indenture or (ii) any financing transactions of a type referred to in Article 13, the Trustee will execute and deliver such documents as may be necessary to release from the Lien of this Indenture the asset or assets which are the subject of such transaction or to subordinate the Lien of this Indenture to the Lien arising in connection with any such transaction.

ARTICLE 7.

REMEDIES UPON DEFAULT

7.01A. *Events of Default.* Any one or more of the following events shall constitute an Event of Default (whether any such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) if default shall be made in the due and punctual payment of the principal of or premium, if any, or interest on the Lenders Notes when and as the same shall become due and payable, whether at maturity, or at a date fixed for any installment payment or any prepayment or by declaration of acceleration or otherwise;

(2) if default shall be made in the performance or observance of any covenant, agreement or condition on the part of the Borrower or any of its Subsidiaries contained in the Lenders Notes, the Lenders Loan Agreements, this Indenture, or any other Security Agreement and such default shall have continued for a period of 30 days after any officer of the Borrower authorized to give an Officers' Certificate becomes aware of such default or notice thereof shall have been given by the Trustee or the Holders of Lenders Notes;

(3) if any representation or warranty of the Borrower or any of its Subsidiaries or Harvester contained in or made in writing pursuant to the Lenders Loan Agreements, this Indenture or any other Security Agreement shall prove to have been false, incorrect or misleading in any material respect on the date as of which made or deemed to have been made;

(4) if there shall be (a) any cessation of operations at a facility with the result that the Borrower or any of its Subsidiaries, shall be treated as a substantial employer as provided in section 4062(e) of ERISA, (b) any withdrawal from an ERISA Plan for which the Borrower or any such Subsidiary is a substantial employer within the meaning of section 4063 of ERISA, or (c) any adoption of an amendment described in section 4041(f) of ERISA to an ERISA Plan of the Borrower or any such Subsidiary;

(5) if default shall be made by the Borrower or any of its Subsidiaries with respect to any Indebtedness (other than the Lenders Notes) or by Harvester with respect to any Indebtedness (other than the Lenders Notes) in excess of \$2,500,000 in the aggregate, as principal or guarantor or other surety, in the due and punctual payment of any principal of or premium, if any, or interest on any such Indebtedness, or in the performance of or compliance with any term of any evidence of such Indebtedness or of any mortgage, indenture or other agreement relating thereto which would permit any holder of such Indebtedness to accelerate payment of the principal thereof, and such default shall continue without having been duly cured, waived or consented to, beyond the period of grace, if any, specified therein;

(6) if the Borrower or any of its Subsidiaries or Harvester shall:

- (a) admit in writing its inability to pay its debts as they become due;
- (b) file a petition in bankruptcy or a petition to take advantage of any insolvency act;
- (c) make an assignment for the benefit of its creditors;
- (d) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property;
- (e) file a petition or answer seeking reorganization arrangement or winding-up under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof or any other country or jurisdiction; or
- (f) on a petition in bankruptcy or insolvency or seeking reorganization or to effect any plan or other arrangement with creditors filed against it, acquiesce in such filing, fail to have the action discharged within 90 days of such filing, or be adjudicated a bankrupt;

(7) if a court of competent jurisdiction shall enter an order, judgment or decree appointing, without the consent of the Borrower, any of its Subsidiaries or Harvester, as the case may be, a receiver of the Borrower, such Subsidiary or Harvester or of the whole or any substantial part of the properties of any thereof, or approving a petition filed against the Borrower, such Subsidiary or Harvester seeking reorganization, arrangement or winding-up of the Borrower, such Subsidiary or Harvester under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof or any other country or jurisdiction, and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof;

(8) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Borrower, any of its Subsidiaries or Harvester or of the whole or any substantial part of the properties of any thereof and such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or control;

(9) if final judgment for the payment of money in excess of \$250,000 (\$5,000,000 in the case of Harvester) in the aggregate shall be rendered by a court of competent jurisdiction against the Borrower or any of its Subsidiaries or Harvester, and the Borrower, such Subsidiary or Harvester, as the case may be, shall not discharge the same, provide for its discharge in accordance with its terms, or procure a stay of execution thereon within 60 days from the date of entry thereof, and within said period of 60 days, or such longer period during which execution of such judgment shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal; or

(10) if EDA shall give notice terminating the issue by the Borrower of EDA-Guaranteed Lenders Notes or shall instruct the Trustee not to make any further disbursement from the Program Fund or Restoration Fund pursuant to paragraph G of the EDA-Lenders Guarantee Agreement.

7.01B. Automatic Acceleration. In the case of an Event of Default with respect to the Borrower under paragraph (6), (7) or (8) of Section 7.01A, all Lenders Notes Outstanding shall automatically, without notice to the Borrower, Harvester, the Trustee or any other Person, and without presentment, demand or protest, all of which are hereby waived, forthwith become due and payable in full, together with interest accrued thereon.

7.01C. Optional Acceleration by the Trustee. In the case of any other Event of Default and the continuance thereof for more than 30 days, but subject to the provisions of any Inter-Creditor Agreement at the time in effect, upon the written request to the Trustee of (a) the Holder or Holders of at least 20% in aggregate principal amount of the Lenders Notes at the time Outstanding, in the case of an Event of Default under paragraph (1) of Section 7.01A for failure to pay any principal or interest when due, or (b) the Holder or Holders of at least 30% in aggregate principal amount of the Notes at the time Outstanding, in the case of any other such Event of Default (but, in the case of an Event of Default under paragraph (2), (3) or (4) of Section 7.01A, only with the written consent of EDA), the Trustee shall, by written notice to the Borrower,

declare all of the Lenders Notes at the time Outstanding to be due and payable, whereupon the same shall forthwith become due and payable in full, together with interest accrued thereon, without presentment, demand, protest or notice, all of which are hereby waived. If at any time after the Lenders Notes shall have been declared due and payable pursuant to this Section 7.01C and before any judgment or decree for any amounts so declared due and payable shall have been entered (i) all amounts of principal and interest which shall have become due and payable in respect of all the Lenders Notes otherwise than by such declaration shall have been paid in full, together with interest on all such overdue principal, premium, if any, and (to the extent permitted by applicable law) interest at the rate specified in the Lenders Notes and an amount sufficient to cover all costs and expenses of collection incurred by or on behalf of the Holders of the Lenders Notes (including, without limitation, counsel fees and expenses and reasonable compensation of the Trustee), and (ii) every other Default (whether or not constituting an Event of Default) shall have been remedied, then upon the written request to the Trustee of the Holder or Holders of at least 70% in aggregate principal amount of the Lenders Notes at the time Outstanding, the Trustee shall, by written notice to the Borrower, rescind and annul such declaration and its consequences, but no such rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon and no such rescission and annulment shall require any Holder of the Lenders Notes to repay any interest or principal amount paid as a result of such declaration. If any Holder of any of the Lenders Notes shall give the Borrower notice of, or take any other action known to the Borrower in respect of, an Event of Default or a claimed default, whether or not constituting an Event of Default, or if the Borrower shall otherwise have knowledge of an Event of Default, the Borrower shall forthwith notify the Trustee, the Director, Harvester and each Holder of the Lenders Notes (other than any Holder from which the Borrower received notice of such Event of Default or claimed default) by telex, telegraphic or telephonic notice confirmed by notice in writing given as provided in Section 15.02 of such Event of Default or claimed default and the circumstances known by it with respect thereto.

7.01D. *Optional Acceleration by EDA.* In the event of a demand for payment by any Holder of EDA-Guaranteed Lenders Notes pursuant to the EDA Lenders Guarantee thereof, EDA may, at its option, by written notice to the Borrower and the Trustee, declare all of the Lenders Notes to be due and payable, whereupon the same shall forthwith become due and payable in full, together with interest accrued thereon, without presentment, demand, protest or notice, all of which are hereby waived.

7.01E. *EDA Cure of Payment Defaults.* In case an Event of Default shall have occurred under paragraph (1) of Section 7.01A for failure to pay any installment of principal or interest when due, EDA may, at its option, cure such Event of Default by paying such portion of the amount of the principal and interest in default, for the account and on behalf of the Borrower (and not pursuant to the EDA-Lenders Guarantee Agreement), to the Holders of the Lenders Notes Outstanding, at any time prior to the expiration of 30 days after the occurrence of such Event of Default and such additional period of time as may elapse before any Holder of any EDA-Guaranteed Lenders Note shall demand payment pursuant to the EDA Guarantee thereof or the Trustee or EDA shall declare the same to be due and payable, *provided* that EDA shall not theretofore have made payments pursuant to this Section 7.01E with respect to more than two such Events of Default.

7.02. *Trustee's Right to Enter and Take Possession, Operate and Apply Income.*

(a) If an Event of Default shall have occurred and be continuing, the owner of any of the Mortgaged Property, upon demand of the Trustee, shall forthwith surrender to the Trustee possession, and, if and to the extent permitted by law, the Trustee, or such officers or agents as it may appoint may enter and take possession of the Mortgaged Property together with all books, papers and accounts of such owner pertaining thereto.

(b) If such owner shall for any reason fail to surrender or deliver any such Mortgaged Property or part thereof after such demand by the Trustee, the Trustee may obtain a judgment conferring on the Trustee the right to immediate possession or requiring such owner to deliver immediate possession of all or such part of the Mortgaged Property to the Trustee.

(c) Upon every such entering upon or taking of possession, the Trustee may hold, use, operate, manage and control the Mortgaged Property, and, at the expense of the Borrower, from time to time

(i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon,

(ii) insure or keep insured such of the same in such amounts as are customarily insured by corporations similarly situated to the Borrower operating similar properties in comparable locations,

(iii) exercise all the rights and powers of the owner of such Mortgaged Property, in its name or otherwise, with respect to the same, and

(iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted the Trustee,

and the Trustee may collect and receive all the rentals, revenues, receipts, income, issues and profits of the Mortgaged Property and, after deducting all costs, expenses and other charges at the time payable pursuant to Section 8.02, shall pay the remainder of the moneys so received by the Trustee into the Note Payment Fund for application as provided in Section 2.07.

(d) Whenever (i) all amounts of principal, premium, if any, and interest which shall have become due and payable in respect of all the Lenders Notes shall have been paid in full, together with interest on all such overdue principal and an amount sufficient to cover all costs, expenses and other charges of collection or receipt referred to in the foregoing subdivision (c) and (ii) every other Default (whether or not constituting an Event of Default), shall have been remedied, the Trustee shall surrender possession of the Mortgaged Property to the owner thereof. The same right of taking possession, however, shall exist if any subsequent Event of Default shall occur and be continuing.

7.03. *Trustee's Power of Sale.* If an Event of Default shall have occurred and be continuing, the Trustee, or such agents and attorneys as it may appoint, may, if and to the extent permitted by law, with or without entry or taking possession, sell the Mortgaged Property as an entirety or in such part or parts as the Holders of a majority in aggregate principal amount of the Lenders Notes at the time Outstanding shall in writing request, or, in the absence of such request, as the Trustee may determine, at public sale in the County in which the Mortgaged Property is situated or at private sale, all at such time or times and upon such terms (including credit, secured or unsecured) as may be required by law or as the Trustee may determine after having first given notice of the time, place and terms of sale, together with a description of the property to be sold, by publication once a week for three consecutive weeks prior to such sale in any newspaper then published in such County. If at the time fixed for any such sale no cash bid shall be received in an amount sufficient to pay all amounts then owing to the Trustee and the Holders of the Lenders Notes at the time Outstanding, after the Trustee, if and to the extent required by law, shall have re-advertised such sale in the manner hereinabove provided, the Trustee may sell the Mortgaged Property or such part thereof for an amount less than sufficient to pay all amounts then owing to the Trustee and Holders of the Lenders Notes at the time Outstanding, or for a consideration consisting of part cash and part purchase money mortgage, or both; *provided that* (a) such sale and the terms and amount of any such purchase money mortgage are approved in writing by the Holders of a majority in aggregate principal amount of the Lenders Notes at the time Outstanding, and (b) in the opinion of the Trustee, the price obtained at such sale represents the fair market value of the property sold, as demonstrated by more than one qualified bid thereat or by appraisal by an independent appraiser acceptable to the Trustee.

7.04. *Trustee's Power of Enforcement.* If an Event of Default shall have occurred and be continuing, the Trustee may, either with or without entry or taking possession as herein provided or otherwise, proceed by action at law or suit in equity, whether for specific performance or injunction or otherwise, or by proceeding in bankruptcy or by any other appropriate step or proceeding (a) to enforce payment of the Lenders Notes or the performance of or compliance with any term hereof or any other right, (b) to foreclose this Indenture and to sell, as an entirety or in part or parts, the Mortgaged Property, under the judgment or

decree or a court or courts of competent jurisdiction, and (c) to pursue any other remedy available to it, all as the Trustee, with the advice of counsel, shall deem most effectual for such purposes. The Trustee shall take action, either by such proceedings or by the exercise of its powers with respect to entry or taking possession or sale, as the Trustee may determine, only upon being requested in writing so to do by the Holders of a majority in aggregate principal amount of the Lenders Notes at the time Outstanding.

7.05. *Adjournment of Sale.* From time to time the Trustee may, to the extent permitted by law, adjourn any sale to be made under the terms of this Indenture or otherwise, by announcement at the time and place appointed for such sale, or for such adjourned sale or sales, and, to the extent permitted by law, without further notice, the Trustee may make such sale at the time and place to which the same shall be so adjourned.

7.06. *Property not Present at Sale.* Upon any sale, either under the power of sale hereby given or pursuant to judicial proceeding or otherwise, any personal property or chattels constituting a part of the Mortgaged Property may be sold without having such property at the place of sale, and the owner thereof for itself, its successors and assigns and for all persons hereafter claiming through or under it hereby expressly waives and releases all right to have the Mortgaged Property or any part thereof at the place of sale.

7.07. *Trustee Authorized to Execute Deeds, Conveyances; Deliver Possession.* Each owner of any of the Mortgaged Property irrevocably appoints the Trustee as its attorney-in-fact and agent, in its name and stead and on its behalf, for the purpose of effecting any sale, assignment, transfer or delivery for the enforcement of this Indenture, whether under the power of sale hereby given or pursuant to judicial proceedings or otherwise, to execute and deliver all such certificates, deeds, conveyances, bills of sale, assignments, transfers and other instruments as the Trustee may consider necessary or appropriate, with full power of substitution, such owner hereby ratifying and confirming all that the Trustee, or any substitute, shall lawfully do by virtue hereof. Nevertheless, to the extent so requested by the Trustee, or by any purchaser of the Mortgaged Property or any part thereof, the owner thereof shall ratify and confirm any such sale, assignment, transfer or delivery by executing and delivering to the Trustee or such purchaser all proper certificates, deeds, conveyances, bills of sale, assignments, instruments of transfer, releases and other instruments as may be reasonably requested. Upon any such sale being made, the owner thereof shall deliver the Mortgaged Property, or part thereof, so sold in accordance with the instructions of the Trustee. If the owner thereof shall fail for any reason to deliver such Mortgaged Property or part thereof after receiving instructions from the Trustee, the Trustee shall have all of the rights granted to the Trustee upon failure of the owner thereof to deliver Mortgaged Property as specified in Section 7.02.

7.08. *Purchase by Holders of Lenders Notes or Trustee.* Upon any such sale, whether under the power of sale hereby given or pursuant to judicial proceedings or otherwise, any Holder or Holders of Lenders Notes or the Trustee may bid for and purchase the Mortgaged Property and, upon compliance with the terms of the sale, may hold, retain and possess and dispose of such property in its or their own absolute right without further accountability.

7.09. *Application of Lenders Notes toward Purchase Price.* Upon any such sale, whether under the power of sale hereby given or pursuant to judicial proceedings or otherwise, any Holder of a Lenders Note who purchases may, if permitted by law, after allowing for the proportion of the total purchase price required to be paid in cash for the costs and expenses of the sale, compensation and other charges, in paying the purchase price, turn in Lenders Notes then Outstanding, in lieu of cash, for the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon. All Lenders Notes so turned in shall, in case the amount so payable thereon shall be less than the amount due thereon, be returned to the Holders thereof after being properly stamped to show partial payment.

7.10. *Receipt Sufficient Discharge to Purchaser.* Upon any such sale, whether under the power of sale hereby given or pursuant to judicial proceedings or otherwise, the receipt of the Trustee or the officer making a sale under judicial proceedings shall be a sufficient discharge to the purchaser or purchasers for the purchase money, and such purchasers, and their assigns or personal representatives, shall not, after paying

such purchase money and receiving such receipt therefor, be obliged to see to the application of such purchase money, or be in any way answerable for any loss, misapplication or nonapplication thereof.

7.11. *Sale a Bar.* Any such sale, whether under the power of sale hereby given or pursuant to judicial proceedings or otherwise, shall operate to divest all right, title, interest, claim and demand whatsoever, at law or in equity or by statute or otherwise, of the owner thereof to the property sold, and, so far as permitted by law, shall be a perpetual bar at law and in equity and otherwise against the owner thereof and its successors and assigns and all persons now or hereafter claiming such property or any part thereof from, through or under such owner or any of its successors or assigns.

7.12. *Application of Proceeds of Sale.* In the event of any such sale, whether under the power of sale hereby conferred or pursuant to judicial proceedings or otherwise, the proceeds of such sale (less costs and expenses relating thereto) shall be paid into the Note Payment Fund for application as provided in Section 2.07. In the event of any sale of the Mortgaged Property or any part thereof under this Article 7 on terms of credit, the Trustee shall receive and hold as property subject to the Lien of this Indenture all agreements and instruments evidencing the indebtedness of the purchaser or purchasers, shall administer and enforce the same and all moneys becoming due thereunder shall be paid into the Note Payment Fund for application as provided in Section 2.07. The Trustee is hereby authorized, in its discretion, to sell and dispose of the indebtedness evidenced by such agreements or instruments and the proceeds thereof (less costs and expenses relating thereto) shall be paid into the Note Payment Fund for application as provided in Section 2.07.

7.13. *Waiver of Appraisalment, Valuation, Stay, Extension and Redemption Laws.* Each owner of any of the Mortgaged Property agrees, to the full extent that it may lawfully so agree, that, in case of any default on its part hereunder, neither it nor anyone claiming through or under it shall set up, claim or seek to take advantage of any appraisalment, valuation, stay, extension or redemption laws now or hereafter in force in any locality where any property subject to the Lien hereof may be situated, in order to prevent or hinder the enforcement or foreclosure of this Indenture, or the absolute sale of the property hereby conveyed, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereof, and each such owner for itself and all who may at any time claim through or under it, hereby waives to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprised in the security intended to be created hereby marshalled upon any foreclosure of the Lien hereof and agrees that the Trustee or any court having jurisdiction to foreclose such Lien may sell the Mortgaged Property as an entirety.

7.14. *Trustee Entitled to Appointment of Receiver.* If an Event of Default shall occur and be continuing, the Trustee shall, as a matter of right and to the extent permitted by law, be entitled to the appointment of a receiver for all or any part of the Mortgaged Property and of the rentals, revenues, and receipts thereof, whether such receivership be incidental to a proposed sale of the Mortgaged Property or otherwise, and each owner of any of the Mortgaged Property hereby consents to the appointment of such a receiver and will not oppose any such appointment, *provided* that notwithstanding the appointment of any receiver, trustee or other custodian, the Trustee shall be entitled to the possession and control of any cash, or other instruments at the time held by, or payable or deliverable under the terms of this Indenture to, the Trustee.

7.15. *Remedies at Law Inadequate.* Envirodyne Stock Company, the Borrower, EDC, Steel, WSC, WSC Sales, Transportation, Shipping and CWP each stipulates that the remedies at law in respect of any failure or threatened failure by it to perform or comply with any of the terms of this Indenture are not and will not be adequate, and that any of such terms may be specifically enforced by a decree for specific performance or by an injunction against violation of any such terms or otherwise.

7.16. *Trustee May Enforce Rights without Lenders Notes.* All rights, remedies, powers and claims under this Indenture, enforceable by the Trustee, may be enforced by the Trustee without the possession of any of the Lenders Notes or the production thereof in any proceeding relating thereto, and any such

proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, without the necessity of joining as plaintiffs or defendants any Holders of the Lenders Notes, and any recovery of judgment shall, after deducting all costs, expenses and other charges payable pursuant to Section 8.02, be paid into the Note Payment Fund for application as provided in Section 2.07.

7.17. *Holders of Majority of Lenders Notes May Control Proceedings.* Anything in this Indenture to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of the Lenders Notes at the time Outstanding shall have the right from time to time to direct, by an instrument or instruments in writing executed and delivered to the Trustee, the time, method and place of conducting all proceedings for any sale of the Mortgaged Property or for the foreclosure of this Indenture or for the appointment of a receiver or for the enforcement of any other remedy under this Article 7, *provided* that, unless the Lenders Notes shall have become due and payable (by declaration of acceleration or otherwise), the Trustee shall not take any action authorized and directed under this Article 7 without the prior written consent of EDA.

7.18. *No Waiver.* No failure or delay by the Trustee or any Holder of a Lenders Note to insist at any time upon the strict performance of any term, covenant, or agreement hereof, or to exercise any right, power or remedy provided for or existing herein or therein or by statute or at law or in equity or otherwise as a consequence of a default under any such term, covenant or agreement, and no receipt or acceptance by the Trustee or any Holder of a Lenders Note of any payment of the principal of, or premium, if any, or interest on, or any other amount due under, the Lenders Notes during the continuance of any such default, shall constitute a waiver of any such term, covenant or agreement or default or of any such right, power or remedy, nor shall any exercise or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

7.19. *Restoration of Rights, Powers and Remedies.* In case the Trustee or any Holder of a Lenders Note shall have proceeded to enforce any right, power or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case the Borrower, EDC, Steel, WSC, WSC Sales, Transportation, Shipping, CWP, the Trustee and the Holders of the Lenders Notes shall, subject to any determination in such proceeding, each be restored to their former positions hereunder, and thereafter all rights, powers and remedies of the Trustee and the Holders of the Lenders Notes shall continue as if no such proceeding had been instituted.

7.20. *Remedies Cumulative; Compromise of Actions.* Each right, power and remedy of the Trustee and any Holder of a Lenders Note provided for herein, or now or hereafter existing by statute or at law or in equity or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for herein, or now or hereafter existing by statute or at law or in equity or otherwise, and the exercise by any Person of any one or more of the rights, powers or remedies provided for herein, or now or hereafter existing by statute or at law or in equity or otherwise shall not preclude the simultaneous or later exercise by such Person or any other Person of any or all such other rights, powers or remedies. Any action, suit or proceeding brought by the Trustee or any Holder of a Lenders Note pursuant hereto, or otherwise, and any claim made by any such Person thereunder or otherwise, may be compromised, withdrawn or otherwise dealt with by such Person without any notice to or approval of the Borrower, EDC, Steel, WSC, WSC Sales, Transportation, Shipping or CWP.

ARTICLE 8.

CONCERNING THE TRUSTEE

8.01. *Duties and Liabilities of Trustee.* The Trustee hereby accepts the trusts of and agrees to perform its required duties in accordance with the provisions of this Indenture for the pro rata benefit of the Holders of all the Lenders Notes from time to time Outstanding, but only upon the terms herein set forth, including

the following, to all of which the Borrower and the Holders of the Lenders Notes at any time Outstanding by their acceptance and holding thereof agree:

(a) *Enforcement by Trustee.* The Trustee, for the pro rata benefit of the Holders of all the Lenders Notes from time to time Outstanding, shall from time to time take such action for the protection and enforcement of their rights under this Indenture as may be necessary or appropriate in the interests of the Holders of the Lenders Notes, *provided that*

(i) the permissive right of the Trustee to perform any actions enumerated in this Indenture shall not be construed as a duty;

(ii) unless and until the Trustee shall have knowledge that an Event of Default shall have occurred and be continuing, the Trustee shall not be obligated to take any action under or in respect of this Indenture except for the performance of such duties as are specifically required hereby (and no implied covenants or obligations shall be read into this Indenture) and except as may be requested from time to time in writing by the Holders of a majority in aggregate principal amount of the Lenders Notes at the time Outstanding;

(iii) the Trustee, in the absence of actual knowledge, shall not be deemed to have knowledge of the existence of any Default or Event of Default, unless notified in writing by any Holder of any of the Lenders Notes at the time Outstanding, the Borrower, EDA or Harvester;

(iv) if and so long as an Event of Default shall have occurred and be continuing and if the Trustee shall have knowledge thereof, the Trustee shall exercise such rights, powers and remedies (whether vested by this Indenture or by statute or by law or in equity or otherwise) for the protection and enforcement of the Trustee's rights under and in respect of this Indenture, as may be directed in writing by the Holders of a majority in aggregate principal amount of the Lenders Notes at the time Outstanding, and shall use the same degree of care and skill in such exercise as a prudent commercial bank would use under the circumstances in dealing with a loan, similar to the Lenders Loan, as lender thereof.

(b) *Notices by Trustee.* During the term of the Lenders Loan and any extension or renewal thereof,

(i) the Trustee shall notify the Director in writing (A) within 20 days after the end of each calendar month, of the date and amount of each disbursement made by the Trustee from the Program Fund or the Restoration Fund during such calendar month, and (B) within 20 days after the end of each calendar quarter commencing with the calendar quarter within which the first disbursement is made by the Trustee from the Note Payment Fund, of the date and amount of each payment on account of the Lenders Loan made to the Holders of the Lenders Notes by the Trustee from the Note Payment Fund during such calendar quarter and of the amount of unpaid balance of the Lenders Loan on the last day of such calendar quarter;

(ii) the Trustee shall notify the Director, Harvester and each Holder of the Lenders Notes by telex, telegraphic or telephonic notice confirmed by notice in writing given as provided in Section 15.02 (A) forthwith after the Trustee shall have knowledge that an Event of Default has occurred and is continuing, of the existence of such Event of Default and the circumstances known to it with respect thereto, (B) concurrently with any declaration by the Trustee of acceleration of the Lenders Notes, of the fact of such declaration and the basis therefor, (C) concurrently with any rescission and annulment by the Trustee of any such declaration of acceleration, of the fact of such rescission and annulment and the basis therefor; and

(iii) the Trustee shall notify Harvester and each Holder of the Lenders Notes by telex, telegraphic or telephonic notice confirmed by notice in writing given as provided in Section 15.02 forthwith after the Trustee shall receive notice of any declaration by EDA of acceleration of the Lenders Notes, of the fact of such acceleration.

(c) *No Representations.* The Trustee makes no representation as to the sufficiency or validity of this Indenture or any other instrument or security referred to herein or therein, or as to the correctness

of any statement contained herein or therein or as to the title to the Mortgaged Property of the owners thereof or as to the descriptions thereof.

(d) *Status of Holders.* As a condition to being registered as a Holder of any EDA-Guaranteed Lenders Note upon any transfer thereof, the transferee shall furnish to the Trustee on request a certificate of an appropriate officer or representative of such transferee certifying to the reasonable satisfaction of the Trustee that such transferee is a Financing Institution.

(e) *Agents.* The Trustee may perform any of the duties or exercise any of the powers provided for herein either directly or through agents or attorneys, and shall not be responsible for the acts or neglect of agents (other than employees of the Trustee) or attorneys appointed by it with due care. The Trustee may consult with appraisers, engineers, accountants and other skilled persons of its choosing, and shall not be liable for anything done, suffered or omitted in good faith in accordance with the advice of any of such persons so long as such advice pertains to such matters as the Trustee may reasonably presume to be within the scope of the particular person's area of expertise.

(f) *Counsel.* The Trustee may consult with legal counsel selected by it and shall not be liable for any action taken or omitted in good faith in accordance with the advice of such counsel.

(g) *Security and Indemnity.* The Trustee shall not be required to use its own funds in the performance of any of its obligations or duties or the exercise of any of its rights or powers, and shall not be required to take any action which in the Trustee's reasonable judgment would involve either expense or liability unless furnished with reasonable security and indemnity.

(h) *No Obligation to Inquire.* The Trustee shall be under no obligation to inquire as to the nature or sufficiency of any payment received hereunder, or as to the performance of any obligation hereunder.

(i) *No Obligation to Perfect Lien or Security.* Except as specifically provided in this Indenture, the Trustee shall be under no obligation to take any action to perfect, preserve or protect unimpaired the Lien hereof or the security afforded hereby.

(j) *Instructions.* The Trustee may at any time request written instructions from the Holders of the Lenders Notes with respect to the interpretation hereunder of action to be taken or suffered or not taken hereunder and, notwithstanding any other provision hereof (except Section 7.01C), shall be entitled to withhold (and shall not be under any liability to any Person for withholding) action hereunder until the Trustee shall have received such written instructions from the Holders of a majority in aggregate principal amount of the Lenders Notes at the time Outstanding.

(k) *Reliance.* The Trustee may rely and shall be protected in acting or refraining from acting, in good faith, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, note or other paper or document believed by the Trustee to be genuine and to have been signed or presented by the proper party or parties.

(l) *No Liability without Negligence or Wilful Misconduct.* The Trustee shall not be personally liable for debts contracted or liabilities or damages incurred, without negligence or wilful misconduct, in connection with the enforcement of any of the rights or other interests of the Trustee in respect of this Indenture.

(m) *Liability for Negligence or Wilful Misconduct.* Nothing contained in this Indenture shall relieve the Trustee from liability for the Trustee's own negligence or wilful misconduct, except that

(i) this subdivision shall not be construed to limit the effect of the foregoing subdivisions (a)-(l) inclusive of this Section 8.01; and

(ii) the Trustee shall not be liable for any error of judgment made in good faith by an officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(n) *Inspection.* The Trustee shall afford the Secretary of Commerce, the Assistant Secretary of Commerce for Economic Development, the Comptroller General of the United States of America, Harvester, or any of their duly authorized delegates and representatives, access for the purpose of audit

and examination to any books, documents, papers and records that are pertinent to the Lenders Loan and shall permit them to make copies and extracts from such books, documents, papers and records.

8.02. *Trustee's Expenses and Other Charges.* The Borrower shall, upon demand, pay or reimburse the Trustee for the following expenses and other charges:

(a) all expenses and disbursements of the Trustee in the exercise of the Trustee's powers and duties under this Indenture, including, without limitation,

(i) all expenses and disbursements in respect of the execution, delivery, recordation, publication, registration or filing, re-recordation, republication, re-registration, refiling and discharge of this Indenture,

(ii) all expenses and disbursements in respect of the issue, authentication, registration, transfer, exchange, payment and redemption of Lenders Notes,

(iii) all expenses and disbursements in respect of the administration of the Program Fund, the Restoration Fund and the Note Payment Fund (including, without limitation, any losses not offset by gains actually realized from the investment thereof pursuant to instructions of the Borrower), and

(iv) all costs and other expenses and all disbursements, incurred or made, during the continuance of any Event of Default, in respect of the taking of possession, reletting or sale of the Mortgaged Property, the sale of the Pledged Collateral, the foreclosure of this Indenture, the enforcement of the Lenders Notes or this Indenture or the pursuit of any other remedy or the exercise of any other powers of the Trustee under the Lenders Notes or this Indenture (including, without limitation, compensation for the services of all persons employed for such purposes);

(b) the reasonable compensation of the Trustee (including, without limitation, the reasonable compensation and the expenses and disbursements of its counsel and of its agents not regularly in its employ);

(c) all taxes, assessments and other charges and all other Liens, if any, prior to the Lien of this Indenture (except Permitted Liens and those as to which any sale of the Mortgaged Property shall have been made subject), and all other proper charges upon the Mortgaged Property or any part thereof, as the Trustee may determine to pay; and

(d) all other expenses incurred and all other disbursements made in connection with the management or administration of the trusts hereby created.

8.03. *Resignation, Removal and Replacement of Trustee.* The Trustee or any successor to it may resign at any time by giving at least 30 days' prior written notice of resignation to the Borrower, each Holder of Lenders Notes at the time Outstanding, EDA and Harvester, such resignation to be effective upon the acceptance of appointment by the successor Trustee as hereinafter provided. The Holders of a majority in aggregate principal amount of the Lenders Notes at the time Outstanding may at any time remove the Trustee for or without cause by an instrument or instruments in writing delivered to the Trustee and to the Borrower such removal to be effective upon the acceptance of appointment by the successor Trustee as hereinafter provided. In the event of the resignation or removal of the Trustee, the Holders of a majority in aggregate principal amount of the Lenders Notes at the time Outstanding may appoint, with the prior written consent of EDA, a successor Trustee by an instrument or instruments in writing delivered to such successor Trustee, the retiring Trustee and the Borrower. If a successor Trustee shall not have been appointed within 30 days after the giving of the notice of such resignation or the delivery of the instrument or instruments with respect to such removal, any Holder of a Lenders Note or the Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee to act until such time, if any, as a successor Trustee shall have been appointed by the Holders of the Lenders Notes as above provided. The successor Trustee so appointed

by such court shall immediately and without further act be superseded by any successor Trustee appointed by the Holders of the Lenders Notes as above provided. The Trustee will forthwith upon receiving notice of any removal of the Trustee give notice to each Holder of Lenders Notes at the time Outstanding which shall not have participated in such removal and to EDA and Harvester. Any successor Trustee, however appointed, shall execute and deliver to the predecessor Trustee and to the Borrower, each Holder of Lenders Notes at the time Outstanding, EDA and Harvester an instrument or instruments accepting such appointment, and thereupon such successor or interim Trustee shall immediately and without further act succeed to all the rights and obligations of the predecessor Trustee hereunder as if originally named herein, and the predecessor Trustee, at the expense of the Borrower, shall duly assign, transfer and deliver to such successor Trustee all the rights and moneys at the time held by the predecessor Trustee hereunder.

8.04. *Successor Trustee by Merger, Consolidation, etc.* Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee is a party, or any state or national bank or trust company in any manner succeeding to all or substantially all of the corporate trust business of the Trustee, shall automatically succeed to all of the rights and obligations of the Trustee hereunder without further action on the part of any of the parties hereto.

8.05. *Eligibility of Trustee.* The Trustee shall always be a state or national bank or trust company in good standing, organized under the laws of the United States of America or one of the states thereof, having a capital, surplus and undivided profits (as shown by its latest financial statement published to its shareholders) aggregating at least \$100,000,000 if there be such a bank or trust company willing and able to accept such trust upon reasonable and customary terms. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 8.05, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.03; *provided, however,* that the requirement of resignation may be waived by the written consent of the Holders of a majority in aggregate principal amount of the Lenders Notes at the time Outstanding, EDA and Harvester.

ARTICLE 9.

SUPPLEMENTAL INDENTURES AND WAIVERS

9.01. *Supplemental Indentures without Consent.* Without the consent of any of the Holders of the Lenders Notes, but subject to the provisions of Section 9.04, ESC, the Borrower, the Restricted Subsidiaries and the Trustee may at any time and from time to time enter into any indenture or indentures supplemental hereto for one or more of the following purposes:

(a) with the prior written consent of EDA and Harvester, to add to the covenants and agreements of any of ESC, the Borrower or the Restricted Subsidiaries for the benefit of the Holders of the Lenders Notes, and to surrender any right or power herein conferred upon any of ESC, the Borrower or the Restricted Subsidiaries;

(b) without the prior written consent of either EDA or Harvester (i) to evidence the succession of a new Trustee hereunder, (ii) to subject to or assign under this Indenture, or better to assure and confirm unto the Trustee, any property or interest required to be subjected to or assigned under this Indenture pursuant to Section 6.03 or additional property or interest, (iii) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters arising under this Indenture which shall not be inconsistent with the provisions of this Indenture, or (iv) to add to the terms of this Indenture such terms (including, without limitation, terms relating to the powers, duties or obligations of the Trustee or imposing requirements in addition to those set forth herein with respect to the qualification or disqualification of the Trustee) as would at the time be required or expressly permitted to qualify this Indenture under the Trust Indenture Act of 1939 or any similar statute as then in effect or to permit the

qualification of the Lenders Notes for sale under the securities laws of any of the states of the United States of America.

9.02. *Waiver or Supplemental Indenture with Consent.* With the written consent of EDA, Harvester, the Holders of at least 66 $\frac{2}{3}$ % in aggregate principal amount of the Lenders Notes at the time Outstanding and each Lender at the time committed to make any loans pursuant to the Lenders Loan Agreements, and subject to the provisions of Section 9.04, (i) the Trustee may at any time and from time to time waive compliance with any term of this Indenture (either generally or in a particular instance and either retroactively or prospectively) or (ii) ESC, the Borrower or the Restricted Subsidiaries and the Trustee may at any time and from time to time enter into any indenture or indentures supplemental hereto for the purpose of amending, modifying or otherwise changing this Indenture by adding any provisions to or revising in any manner or eliminating any of the provisions of this Indenture or of modifying or otherwise changing in any manner the rights and obligations of ESC, the Borrower or the Restricted Subsidiaries and the Trustee and the rights of the Holders of the Lenders Notes; *provided* that, without the written consent of the Holders of all the Lenders Notes at the time Outstanding, EDA and Harvester, no such waiver or supplemental indenture shall:

- (a) create or permit the creation of any Lien or assignment ranking prior to or on a parity with the Lien of this Indenture; or
- (b) release any of the Pledged Collateral; or
- (c) change the provisions of Article 2 or 11; or
- (d) change the aforesaid percentage of the principal amount of Lenders Notes the Holders of which are required to consent to any such waiver or supplemental indenture; or
- (e) change the percentage of the principal amount of Lenders Notes the Holders of which may declare the Lenders Notes to be due and payable as provided in Section 7.01C.

9.03. *Notice of Waivers and Supplemental Indentures.* If at any time ESC, the Borrower or the Restricted Subsidiaries shall request the Trustee to waive compliance with any term of this Indenture or to enter into any supplemental indenture, the Trustee shall cause notice of the proposed waiver or supplemental indenture, together with the text of any such supplemental indenture, to be given, by registered or certified mail, postage prepaid, to EDA, Harvester and each Holder of Lenders Notes.

9.04. *Conditions to Waivers and Supplemental Indentures.* The Trustee shall waive compliance with any term of this Indenture and shall join with ESC, the Borrower and the Restricted Subsidiaries in entering into any supplemental indenture authorized to be waived or entered into pursuant to Section 9.01 or 9.02 upon the request of ESC, the Borrower and the Restricted Subsidiaries accompanied by:

- (a) an original counterpart of the proposed waiver or supplemental indenture, duly executed, in the case of any such supplemental indenture, on behalf of ESC, the Borrower and the Restricted Subsidiaries,
- (b) in the case of any such supplemental indenture, a Certified Resolution of the Boards of Directors of ESC, the Borrower and the Restricted Subsidiaries authorizing the execution and delivery thereof,
- (c) an Officers' Certificate of the Borrower stating the facts forming the basis of the authority of the Trustee to give such waiver or to accept and enter into such supplemental indenture,
- (d) an Opinion of Counsel stating that such waiver or supplemental indenture complies with, and that the execution and delivery thereof is authorized by the terms of this Indenture,
- (e) evidence of the consent thereto of EDA and, if required, Harvester,
- (f) if such waiver or supplemental indenture shall be executed pursuant to Section 9.02, evidence of the consent thereto of the Holders of the Lenders Notes and the Lenders required to consent thereto as provided in Section 9.02, and

(g) indemnification of the Trustee to their satisfaction with respect to expenses and other charges;

provided that the Trustee may, in such Trustee's discretion, refuse to give such waiver or to join with ESC, the Borrower and the Restricted Subsidiaries in entering into any such supplemental indenture if it affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, adversely to the Trustee, except that the Trustee shall upon compliance with this Section 9.04 enter into any such supplemental indenture notwithstanding that it so affects the Trustee's own rights, duties or immunities if (a) such supplemental indenture shall be for the purpose of adding terms (whether required or expressly permitted) to qualify this Indenture under the Trust Indenture Act of 1939 or similar statute or to qualify the Notes under state securities laws as provided in Section 9.01(e), and (b) the statute or law under which such qualification is sought, as then in effect, is not materially more burdensome to the Trustee than the corresponding statute or law as in effect on the date of this Indenture.

9.05. *Effect of Waivers and Supplemental Indentures.* Any waiver given or supplemental indenture entered into in accordance with this Article 9 shall be binding upon the Trustee, ESC, the Borrower and the Restricted Subsidiaries, EDA, Harvester and each Lender and their respective successors and assigns, each Holder of any Lenders Note at the time Outstanding and each future holder of any Lenders Note, and compliance with the terms of this Indenture shall be waived in accordance with the terms of such waiver and the terms of this Indenture shall be amended, modified or otherwise changed and supplemented and the rights and obligations of ESC, the Borrower and the Restricted Subsidiaries and the Trustee and the rights of the holders of the Lenders Notes shall be modified in accordance with the terms of such supplemental indenture, which shall thenceforth form a part of this Indenture for all purposes.

ARTICLE 10.

DISCHARGE

If the Borrower shall pay and discharge all Lenders Notes at the time Outstanding by paying or causing to be paid the principal of, the premium, if any, and interest on the Lenders Notes, at the time and in the manner therein, herein and in the Lenders Loan Agreements expressed, then and in that case all property (other than moneys and securities) conveyed or assigned hereunder shall revert to the respective conveyor or assignor and all moneys and securities pledged or deposited hereunder shall revert to the respective depositor or pledgor thereof (except as otherwise provided in Article 12), and the estate, right, title and interest of the Trustee and the Holders of the Lenders Notes therein shall thereupon cease, terminate and become void; and the Trustee in such case, on demand of the Borrower and without expense to the Trustee, shall execute and deliver to ESC, the Borrower and the Restricted Subsidiaries a proper instrument or instruments acknowledging the satisfaction and termination of this Indenture, and shall convey, assign and transfer, or cause to be conveyed, assigned or transferred, and shall deliver or cause to be delivered, all such property other than the Pledged Collateral to ESC, the Borrower and the Restricted Subsidiaries in accordance with their respective interests and the Pledged Collateral as provided in Article 12.

ARTICLE 11.

GUARANTEES

11.01. *Guarantee of Payment.* EDC, Steel, WSC, WSC Sales, Transportation, Shipping and CWP (herein collectively in this Article 11 referred to as the "Guarantors") jointly and severally hereby unconditionally and irrevocably guarantee to the Trustee and each Holder of the Lenders Notes, the due and punctual payment of the principal of, and premium, if any, and interest on the Lenders Notes. In the event of a default in the payment, when and as due of any principal of, or premium, if any, or interest on any Lenders Note, the Guarantors jointly and severally will promptly pay to the Trustee, upon demand to the Guarantors or any of them by the Trustee, the amount of the principal, premium, if any, and interest in default, together

with interest on all such overdue principal, premium, if any, and (to the extent permitted by applicable law) interest at the rate specified in such Lenders Note from the date of default to the date of payment by the Guarantors. Any payment received by the Trustee pursuant to this Section 11.01 shall be held in the Note Payment Fund for application as provided in Section 2.07. Notwithstanding the foregoing, WSC Sales shall not be required to make any payment under this Section 11.01 until all amounts owing under the Chase Revolving Credit Agreement and the Chase Working Capital Loan Agreement have been paid in full. CWP shall be a "Guarantor" under this Article 11 only if it shall have received all required approvals from the Interstate Commerce Commission.

11.02. *Guarantee of Performance.* The Guarantors further jointly and severally, unconditionally and irrevocably guarantee to the Trustee that the Borrower will duly and punctually perform and comply with all other covenants, agreements, terms and conditions of the Lenders Notes, the Lenders Loan Agreements and this Indenture required to be performed or complied with by the Borrower. In case the Borrower shall fail to perform or comply with any such covenant, agreement, term or condition, whether or not such failure shall constitute an Event of Default, the Guarantors will forthwith perform and comply with such covenant, agreement, term or condition or cause the same forthwith to be performed and complied with.

11.03. *Character of Guarantee.* The obligations of the Guarantors are irrevocable, absolute, present, continuing and unconditional and shall not be to any extent or in any way discharged, impaired or otherwise affected, except upon discharge as provided in Article 10. Section 11.01 is a guarantee of payment and not of collection and is in no way conditioned or contingent upon any attempt to collect from the Borrower or any other guarantor or to perfect or to enforce any security or upon any other condition or contingency. The obligations of the Guarantors shall remain in full force and effect without regard to, and shall not be impaired by, any default, failure or delay in the performance of any obligations by the Borrower, the Trustee or any other Person to any Guarantor or any other Person, the irregularity or invalidity of the Lenders Notes, the Lenders Loan Agreements and the Indenture or any other security, or the waiver or consent by any Holder of any Lenders Notes with respect to, or any amendment of any of, the provisions of the Lenders Notes, the Lenders Loan Agreements, the EDA-Lenders Guarantee Agreement, the Harvester Guarantee Agreement or the Indenture or the waiver or consent by any party with respect to, or any amendment of, any other agreement or document, including, without limitation, any agreement or document listed in subparagraph 5 of paragraph B of the EDA-Lenders Guarantee Agreement. Each Guarantor hereby waives diligence, presentment, filing of claims with a court in the event of merger or bankruptcy of Borrower, protest or notice with respect to any Lenders Note (except for demand by the Holder thereof as provided in Section 11.01 above). Any amount payable by the Guarantors hereunder shall not be subject to any claim of the Guarantors, or others, whether by way of counterclaim, set-off, reduction or otherwise.

11.04. *Subrogation; Limitation on Exercise.* In the event the Guarantors shall at any time pay any sums on account of principal of, premium, if any, or interest on any Lenders Note or take any other action in performance of their obligations under this Indenture, the Guarantors shall be subrogated to the rights, privileges and powers of the Holder of such Note (and such Holder will assign to the Guarantors without recourse to or warranty by such Holder, but subject to the prior rights, if any, of EDA and Harvester, the corresponding amount of such Holder's rights to such payment from the Borrower), *provided* that the Guarantors will not seek to exercise any such rights of subrogation, any rights of reimbursement or indemnity or any rights of recourse to any security for any Lenders Note unless and until the principal of, premium, if any, and interest on all Lenders Notes shall have been paid in full.

11.05. *Payment of Costs and Expenses.* The Guarantors covenant that, if they shall default in the performance of their obligations under this Article 11, they will pay to the Trustee such further amounts, to the extent lawful, as shall be sufficient to pay the costs and expenses of enforcement of such obligations, including reasonable counsel fees.

11.06. *Assignment of Rights on Taking.* The Guarantors hereby irrevocably assign, transfer and set over to the Trustee all of their respective rights to any award or payment on account of any Taking. Each

Guarantor will in good faith and with due diligence (i) file and prosecute what would otherwise be such Guarantor's claim for any such award or payment and (ii) cause the same to be collected and paid over to the Trustee, and will irrevocably authorize and empower the Trustee, in the name of such Guarantor or otherwise, to collect and to receipt for any such award or payment, and, in the event such Guarantor fails so to act or is otherwise in default hereunder, to file and prosecute such claim.

ARTICLE 12.

PLEDGES OF STOCK

12.01. *Pledge of Stock of the Borrower, EDC, Steel, WSC, WSC Sales, Transportation, Shipping and CWP.* In order to secure the payment of the Lenders Notes and premium, if any, and interest thereon, and for valuable consideration, ESC, the Borrower, EDC, Steel and Transportation (hereinafter in this Article 12 collectively called the "Pledgors" and individually called a "Pledgor") hereby pledge, hypothecate, assign, transfer, set over and deliver to the Trustee and grant to the Trustee a first and prior security interest in the following:

(a) all the authorized, issued and outstanding shares of capital stock of the Borrower (hereinafter called the "Borrower Pledged Shares") and the certificates representing the Borrower Pledged Shares, and (subject to Section 12.08) all cash, securities, dividends and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any of or all the Borrower Pledged Shares;

(b) all the authorized, issued and outstanding shares of capital stock of EDC (hereinafter called the "EDC Pledged Shares") and the certificates representing the EDC Pledged Shares, and (subject to Section 12.08) all cash, securities, dividends and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any of or all the EDC Pledged Shares;

(c) all the authorized, issued and outstanding shares of capital stock of Steel and Transportation (hereinafter collectively called the "Steel-Transportation Pledged Shares") and the certificates representing the Steel-Transportation Pledged Shares, and (subject to Section 12.08) all cash, securities, dividends and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any of or all the Steel-Transportation Pledged Shares;

(d) all the authorized, issued and outstanding shares of capital stock of WSC and WSC Sales (hereinafter collectively called the "WSC Pledged Shares") and the certificates representing the WSC Pledged Shares, and (subject to Section 12.08) all cash, securities, dividends and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any of or all the WSC Pledged Shares;

(e) all the authorized, issued and outstanding shares of capital stock of Shipping and CWP (hereinafter collectively called the "Shipping-CWP Pledged Shares") and the certificates representing the Shipping-CWP Pledged Shares, and (subject to Section 12.08) all cash, securities, dividends and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any of or all the Shipping-CWP Pledged Shares;

(f) all additional shares of stock of any class of the Borrower, EDC, Transportation, Steel, WSC, WSC Sales, Shipping or CWP at any time and from time to time acquired by Pledgors in any manner, and the certificates representing such additional shares, and (subject to Section 12.08) all cash, securities, dividends and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any of or all such shares; and

(g) all securities hereafter delivered hereunder to the Trustee in substitution for or in addition to any of the securities described in paragraphs (a) to (f), inclusive, above, all certificates and instruments representing or evidencing such securities, and (subject to Section 12.08) all cash, securities, dividends

and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(all of the foregoing being herein collectively called in this Article 12 the "Pledged Collateral");

TO HAVE AND TO HOLD the Pledged Collateral, together with all rights, titles, interests, privileges and preferences appertaining or incidental thereto, unto the Trustee, its successors and assigns.

AND IT IS HEREBY COVENANTED and agreed by the parties hereto that the Pledged Collateral is to be held and applied by the Trustee subject to the covenants, terms and conditions of this Indenture, and Pledgors for themselves and their respective successors and assigns, do hereby covenant and agree to and with the Trustee and its successors and assigns, as follows:

12.02. *Title.* Except as to directors' qualifying shares of CWP, each Pledgor represents and warrants that it owns its portion of the Pledged Collateral pledged hereunder, free and clear of any Liens, except for the security interests created therein pursuant to this Indenture, that its portion of the Pledged Collateral is not subject to any restriction on transfer or alienation arising by contract; and each Pledgor agrees that it will warrant and defend all right, title and interest in its portion of the Pledged Collateral now or hereafter pledged, assigned, transferred and delivered hereunder, and will maintain and preserve the first and prior security interest created by this Indenture in the Pledged Collateral against the claims of all persons so long as this Indenture shall be in effect.

12.03. *To Pledge Additional Stock.* Each Pledgor hereby agrees, immediately upon the acquisition thereof, to pledge, assign, transfer and deliver or cause to be pledged, assigned, transferred and delivered, to the Trustee any and all additional shares of the capital stock of the Borrower, EDC, Transportation, Steel, WSC, WSC Sales, Shipping or CWP, as the case may be, pledged hereunder which are hereafter acquired by it, or by any of its Subsidiaries, directly or indirectly, and to deliver to the Trustee the certificates for such additional shares duly endorsed in blank or accompanied by proper instruments of assignment duly executed in blank.

12.04. *All Stock of the Borrower and Restricted Subsidiaries To Be Pledged.* Pledgors represent, warrant and agree that they will exercise their respective rights and conduct their respective affairs, as the sole stockholders of the Borrower, EDC, Transportation, Steel, WSC, WSC Sales, Shipping or (except for directors' qualifying shares required by law) CWP, as the case may be, to the end that all shares of capital stock of the Borrower at any time authorized, issued and outstanding will be owned by EDC, all shares of capital stock EDC at any time authorized, issued and outstanding will be owned by the Borrower, all shares of capital stock of Transportation and Steel at any time authorized, issued and outstanding will be owned by EDC, all shares of the capital stock of WSC and WSC Sales at any time authorized, issued and outstanding will be owned by Steel and all shares of the capital stock of Shipping and CWP at any time authorized, issued and outstanding will be owned by Transportation, and, in each case, duly and validly pledged hereunder, free and clear of all Liens except those created by this Indenture.

12.05. *Restrictions on Dividends.* Pledgors will not cause or permit any of the Borrower, EDC, Steel, Transportation, WSC, WSC Sales, Shipping or CWP to declare or pay any dividends or to make any other distributions in respect of their capital stock, or purchases or redemptions thereof, except out of earned surplus or earnings for the current fiscal year and, in the case of the Borrower, as permitted by Section 5.07.

12.06. *Sale of Pledged Shares Prohibited.* Each Pledgor agrees not to sell, transfer or otherwise dispose of its part of the Pledged Collateral.

12.07. *Registration in Nominee Name.* All certificates representing Pledged Collateral received by the Trustee shall be duly endorsed in blank or accompanied by proper instruments of assignment duly executed in blank and shall otherwise be in transferable form. For the better perfection of the rights of the Trustee and

to facilitate implementation of such rights, Pledgors shall cause all the certificates, documents and other instruments evidencing, representing or otherwise comprising the Pledged Collateral to be registered or otherwise put into the name of such nominee or nominees of the Trustee as the Trustee shall from time to time direct, immediately upon any of the same becoming part of the Pledged Collateral.

12.08. *Voting Rights; Dividends, etc.*

(a) So long as no Event of Default shall have occurred and be continuing:

(i) Each Pledgor shall be entitled to exercise any and all voting and consensual rights and powers relating or pertaining to its portion of the Pledged Collateral or any part thereof for any purpose not inconsistent with the terms of this Indenture; *provided, however*, that Pledgors shall not be permitted to exercise or refrain from exercising any such right or power if, in the judgment of the Trustee, such action would have a material adverse effect on the value of the Pledged Collateral or any part thereof; and *provided, further, however*, that Pledgors shall give the Trustee at least five days' written notice of the manner in which they respectively intend to exercise, or the reasons for refraining from exercising with respect to any proposed matter, any such right or power.

(ii) Each Pledgor shall be entitled to receive and retain cash dividends payable out of earned surplus or current earnings and interest, if any, payable on its portion of the Pledged Collateral, but any and all other dividends or stock or liquidating dividends, distributions in property, returns of capital or other distributions made on or in respect of the Pledged Collateral, whether resulting from a subdivision, combination or reclassification of the outstanding capital stock of any issuer thereof or as a result of any merger, consolidation, acquisition or other exchange of assets to which any such issuer may be a party or otherwise (other than as a result of a transaction between the Borrower and its Subsidiaries or between such Subsidiaries), and any and all cash and other property received in exchange for or redemption of any Pledged Collateral, shall be held in trust for the benefit of the Trustee and shall forthwith be delivered to the Trustee or its designated agent (registered in the name of a nominee of the Trustee, or accompanied by proper instruments of assignment executed by the appropriate Pledgor, in accordance with the Trustee's instructions) to be held subject to the terms of this Indenture.

(iii) Upon receipt by the Trustee of an Officers' Certificate of a Pledgor to the effect that there is no Event of Default which is continuing, the Trustee shall execute and deliver (or cause to be executed and delivered) to such Pledgor all such proxies, powers of attorney, dividend orders and other instruments as such Pledgor may request for the purpose of enabling it to exercise the voting and consensual rights and powers which such Pledgor is entitled to exercise pursuant to subparagraph (i) above or to receive the dividends and interest which it is authorized to receive and retain pursuant to subparagraph (ii) above.

(b) Upon the occurrence and during the continuance of an Event of Default, all rights of Pledgors to exercise the voting and consensual rights and powers which they are respectively entitled to exercise pursuant to subparagraph (i) of paragraph (a) above and to receive the dividends and interest payments which they are respectively authorized to receive and retain pursuant to subparagraph (ii) of paragraph (a) above shall cease, and all such rights shall thereupon become vested in the Trustee, which shall have the sole and exclusive right and authority to exercise such voting and consensual rights and powers and to receive and retain the dividends and interest payments which each Pledgor would otherwise be authorized to retain pursuant to such subparagraph (ii). Any and all money and other property paid over to or received by the Trustee pursuant to the provisions of this paragraph (b) shall be retained by the Trustee as part of the Pledged Collateral and be applied in accordance with the provisions hereof.

12.09. *Remedies upon Default.* If any Event of Default shall have occurred and be continuing and the Lenders Notes shall have become due and payable (by declaration of acceleration or otherwise) then, in addition to having the right to exercise any rights and remedies of a secured party upon default under the Uniform Commercial Code then in effect in the State of Illinois, the Trustee may, upon the written request of

the Holders of a majority in aggregate principal amount of the Lenders Notes then Outstanding, to the extent permitted by law, without being required to give any notice to any Pledgor as required below:

(a) deliver the cash (if any) then held by it as part of the Pledged Collateral into the Note Payment Fund.

(b) if there shall be no such cash or the cash then held by it shall be insufficient to pay, settle or otherwise secure the discharge of the Lenders Notes in full (whether or not such cash, if any, is first so applied), sell the Pledged Collateral, or any part thereof, at any public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery, as the Trustee shall deem appropriate. The Trustee shall be authorized at any such sale (to the extent it deems it advisable to do so, in its sole discretion) to restrict the prospective bidders or purchasers to persons who will represent and agree that they are purchasing the Pledged Collateral then being sold for their own account for investment and not with a view to the distribution or resale thereof, and upon consummation of any such sale the Trustee shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Pledged Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of any Pledgor. The Trustee shall give the appropriate Pledgor at least ten days' written notice of the intention of the Trustee to make any such public sale or sale at any broker's board or on any such securities exchange. Such notice, in case of public sale, shall state the time and place fixed for such sale and in the case of sale at a broker's board or on a securities exchange shall state the board or exchange at which such sale is to be made and the day on which the Pledged Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Trustee may fix in the notice of such sale. At any such public sale or private sale, the Pledged Collateral, or part thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Trustee may (in its sole discretion) determine. The Trustee shall not be obligated to make any sale of Pledged Collateral if it shall determine not to do so, regardless of the fact that notice of sale of Pledged Collateral may have been given. The Trustee may without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same shall have been so adjourned. In case sale of all or any part of the Pledged Collateral is made on credit or for future delivery, the Pledged Collateral so sold may be retained by the Trustee until the sale price is paid by the purchaser or purchasers thereof, but the Trustee shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Pledged Collateral so sold and, in case of any such failure, such Pledged Collateral may be sold again upon like notice. As an alternative to exercising the power of sale herein conferred upon it, the Trustee may proceed by a suit or suits at law or in equity to foreclose on and to sell the Pledged Collateral, or any portion thereof, pursuant to a judgment or decree of a court or courts of competent jurisdiction.

In view of the position of Pledgors as the owners of the Pledged Collateral, or because of other present or future circumstances, a question may arise under the Federal Securities Laws with respect to any disposition of the Pledged Collateral permitted hereunder. Each Pledgor understands that compliance with the Federal Securities Laws may very strictly limit the course of conduct of the Trustee if the Trustee were to attempt to dispose of all or any part of the Pledged Collateral and may also limit the extent to which or the manner in which any subsequent transferee of all or any part of the Pledged Collateral may dispose of the same. Similarly, there may be other legal restrictions or limitations affecting the Trustee in any attempts to dispose of all or any part of the Pledged Collateral under applicable Blue Sky or other state securities laws or similar laws analogous in purpose or effect. Under applicable law, in the absence of an agreement to the contrary, the Trustee may perhaps be held to have certain general duties and obligations to Pledgors to make some effort towards obtaining a fair price even though the Lenders Notes may be discharged by the proceeds of a sale at a lesser price. Each Pledgor clearly understands that the Trustee is to have no such general duty and obligations to it, and each Pledgor agrees that it will not attempt to hold the Trustee responsible for selling all or any part of the

Pledged Collateral at an inadequate price even if the Trustee accepts the first offer received or does not approach more than one possible purchaser. Without limiting the generality of the foregoing, the provisions of this paragraph would apply if, for example, the Trustee were to place all or any part of the Pledged Collateral for private placement by an investment banking firm, or if such investment banking firm purchased all or any part of the Pledged Collateral for its own account, or if the Trustee placed all or any part of the Pledged Collateral privately with a purchaser or purchasers. The provisions of this paragraph will apply notwithstanding the existence of a public or private market upon which the quotation or sales prices may exceed substantially the price at which the Trustee sells.

12.10. *Application of Proceeds of Sale.* The proceeds of sale of Pledged Collateral sold pursuant to Section 12.09 shall be delivered into the Note Payment Fund for application as provided in Section 2.07.

12.11. *The Trustee Appointed Attorney-in-Fact.* Each Pledgor hereby appoints the Trustee the attorney-in-fact of such Pledgor for the purpose of carrying out the provisions of this Article 12 and taking any action and executing any instrument which the Trustee may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, but subject to the provisions of Section 12.08, the Trustee shall have the right and power to receive, endorse and collect all checks and other orders for the payment of money made payable to each Pledgor representing any dividend, interest payment or other distribution payable or distributable in respect of the Pledged Collateral or any part thereof and to give full discharge for the same.

12.12. *Termination.* The security interest created by this Article 12 shall terminate on the date on which this Indenture shall be discharged in accordance with Article 10, at which time the Trustee shall reassign and redeliver, without recourse upon or warranty by the Trustee and at the expense of the Borrower, to such Pledgor, or to such Person or Persons as such Pledgor shall designate, against receipt, of such of the Pledged Collateral (if any) pledged hereunder by such Pledgor as shall not have been sold or otherwise applied by the Trustee pursuant to the terms hereof, to such Pledgor or such Person or Persons as such Pledgor may have designated, together with appropriate instruments of assignment and release.

12.13. *Further Assurances.* Each Pledgor agrees to do such further acts and things, and to execute and deliver such additional conveyances, assignments, agreements and instruments as the Trustee may at any time request, in connection with the administration or enforcement of this Indenture or related to the Pledged Collateral or any part thereof or in order better to assure and confirm unto the Trustee its rights, powers and remedies hereunder.

12.14. *Certain Waivers, etc.* To the full extent that each Pledgor may lawfully so agree, each Pledgor will not at any time plead, claim or take the benefit of any appraisal, valuation, stay, extension, moratorium or redemption law now or hereafter in force in order to prevent or delay the enforcement of this Indenture or the absolute sale of any portion or all of the Pledged Collateral pledged hereunder by such Pledgor, or the possession thereof by any purchaser at any sale under this Article 12, and each Pledgor, for itself and all who may claim under such Pledgor, as far as such Pledgor now or hereafter lawfully may, hereby waives the benefit of all such laws. Each Pledgor, for itself and all who may claim under such Pledgor, as far as such Pledgor now or hereafter lawfully may, also waives all right to have all or any portion of the Pledged Collateral pledged hereunder by such Pledgor marshalled upon any foreclosure and agrees that any court having jurisdiction over this Indenture may order the sale of all or any part of such Pledged Collateral as an entirety. Any sale of, or the grant of options to purchase, or any other realization upon, all or any part of such Pledged Collateral under this Article 12 shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of such Pledgor in and to such Pledged Collateral so sold, optioned or realized upon, and shall be a perpetual bar both in law and in equity against such Pledgor and against any and all persons claiming or attempting to claim such Pledged Collateral so sold, optioned or realized upon, or any part thereof, from, through and under such Pledgor. No delay on the part of the Trustee in exercising any power of sale, Lien, option or other right hereunder, and no notice or demand which may be given to or made upon any Pledgor with respect to any power of sale, Lien, option or other right hereunder, shall

constitute a waiver thereof, or limit or impair the right of the Trustee to take any action or to exercise any power of sale, Lien, option or any other right under this Indenture or otherwise, nor shall any single or partial exercise thereof, or the exercise of any power, Lien, option or any other right under this Indenture or otherwise, all without notice or demand except the notice of intention to Pledgors to the extent required pursuant to Section 12.09, nor shall any of the same prejudice its rights against any Pledgor in any respect. Each and every remedy of the Trustee shall, to the extent permitted by law, be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute. The Trustee shall have no duty or obligation to satisfy the Lenders Notes out of any other property, or pursuant to any other pledge, undertaking or security relating to the Lenders Notes and may realize on the Pledged Collateral and any other security available to the Trustee in such order or concurrently as it may see fit, and the Trustee will not be required to take any recourse against any Pledgor or any other Person or Persons before realizing on the Pledged Collateral. At any sale made pursuant to this Article 12, the Trustee may, on behalf of the Holders of the Lenders Notes, bid for or purchase, free from any right of redemption on the part of any Pledgor (all said rights being also hereby waived and released by Pledgors), any part of or all of the Pledged Collateral offered for sale, and the Trustee may upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability therefor.

ARTICLE 13.

SUBORDINATION

13.01. *Capital Improvements to Mortgaged Property.* ESC, the Borrower, the Restricted Subsidiaries and the Trustee acknowledge that, in order to efficiently and economically operate the Mortgaged Property, it may be necessary or desirable, from time to time, in the discretion of the Borrower, to make capital improvements to property constituting a portion of the Mortgaged Property, and in connection therewith, to subordinate the Lien of this Indenture. As used in this Article 13, the term "capital improvements" shall include, without limitation, the demolition, removal, construction, remodeling, expansion, renovation and/or replacement of buildings and other structures and facilities, and the demolition, removal, acquisition, renewal, expansion, construction, installation, repair and/or replacement of any machinery, equipment, facilities, apparatus and/or other property used or to be used in connection with the operation of the Mortgaged Property.

13.02. *Notice of Intent to Subordinate Lien of Indenture.* In the event that, at any time and from time to time during the term of this Indenture, the Borrower determines that it is necessary or desirable to make capital improvements to the Mortgaged Property and, in connection with the financing of such capital improvements, to grant a mortgage on a portion of the property constituting the Mortgaged Property to a lender which is not an Affiliate of the Borrower (a "New Lender"), the Borrower shall give written notice thereof to the Trustee, EDA and Harvester, setting forth in reasonable detail, a description of the work to be done, the estimated cost of such work, the identity and address of the New Lender, and the extent to which subordination of this Indenture will be required. The total amount of all Indebtedness to which the Lien of this Indenture may be subordinated under this Article 13 shall not exceed \$15,000,000.

13.03. *Subordination by Trustee.* Simultaneously with the closing of any loan to be made by a New Lender, and provided that, after giving effect to the making of the loan by such New Lender, no Event of Default shall have occurred which is continuing, the Trustee will execute and deliver, in recordable form, and in form and substance acceptable to such New Lender, a subordination agreement (and such other or further documents or instruments as may be required by such New Lender) evidencing the subordination of the Lien of this Indenture to the Lien of the mortgage securing the proposed capital improvements in favor of such New Lender as to the extent and in the manner required in order to secure such financing described in Section 13.01.

13.04. *Capital Improvements Subject to Lien of This Indenture.* Any capital improvements financed by a loan secured by a Lien to which the Lien of this Indenture is subordinated pursuant to this Article 13 shall be subjected to the Lien of this Indenture as so subordinated, and the Borrower and WSC will deliver to the Trustee such evidence that such capital improvements are so subject as the Trustee may reasonably request.

ARTICLE 14.

DEFINITIONS

The following terms as used in this Indenture shall have the respective meanings set forth below unless the context otherwise requires. All accounting terms used herein shall have the meanings given them in accordance with generally accepted accounting principles.

Affiliate as applied to any Person, means any other Person which directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with such Person. For purposes of this definition, the term control (including with correlative meanings, the terms "control by" and "under common control with"), as used with respect to any Person, includes the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

Authorized Representative means any officer of a corporation at the time designated to act on behalf of the corporation by an Officers' Certificate containing a specimen signature of such officer furnished by the corporation to a designated Person.

Authorized Securities means and includes (a) any obligations or any repurchase agreements in respect thereof of the United States of America for which the full faith and credit of the United States of America is pledged, (b) any obligation, or any repurchase obligations in respect thereof, issued by any agency or instrumentality of the United States of America, and (c) with the prior written consent of EDA, (i) certificates of deposit issued by any bank or trust company organized under the laws of the United States of America or any state thereof having capital and surplus of not less than \$100,000,000 and maturing not more than one year after the purchase thereof, *provided* that such certificates of deposit of any particular bank or trust company in the aggregate are not in excess of five percent (5%) of the combined capital and surplus of such bank or trust company, (ii) repurchase agreements secured by certificates of deposit issued by any bank or trust company organized under the laws of the United States of America or any state thereof having capital and surplus of not less than \$100,000,000, and (iii) commercial paper rated A-1 by Standard & Poors Corporation, Inc. or P-1 by Moody's Investors Service, Inc.

Benham means Benham Coal, Inc., a Delaware corporation and a Wholly-Owned Subsidiary of Mining.

Borrower means EDC Holding Company, a California corporation and a Wholly-Owned Subsidiary of Envirodyne Stock Company.

Borrower Pledged Shares has the meaning set forth in Section 12.01 of the Indenture.

Borrower Secured Notes means the \$50,000,000 in original aggregate principal amount of Series A and Series B Substitute Notes issued by the Borrower to Harvester pursuant to the Substitution Agreement.

CCC means Collateral Control Corporation, a Delaware corporation.

Capital Lease means any lease of property, real, personal or mixed, which is substantially tantamount to a conditional sale agreement and any other lease in respect of which the present value of the minimum rental commitment would, in accordance with generally accepted accounting principles (irrespective of any

minimum standards of materiality), be capitalized on a balance sheet of the lessee or otherwise disclosed in a note to such balance sheet.

Capital Lease Obligation means, with respect to any Capital Lease, the amount of the obligation of the lessee thereunder which would, in accordance with generally accepted accounting principles as set forth in Statement of Financial Accounting Standards No. 13 (November 1976) and as hereafter from time to time modified, appear on a balance sheet of such lessee in respect of such Capital Lease.

Certified Resolution means, with respect to the Borrower, a copy of a resolution or resolutions certified by the Secretary or an Assistant Secretary of the Borrower, under its corporate seal, to have been duly adopted by the Board of Directors of the Borrower, or by the Executive Committee thereof appointed by its Board of Directors in accordance with the By-laws of the Borrower, and to be in full force and effect on the date of such certification; and with respect to any other corporate or governmental body, a copy of a resolution or resolutions certified by officers thereof performing functions equivalent to a Secretary or an Assistant Secretary, under its seal, if any, to have been duly adopted by its governing body and to be in full force and effect on the date of such certification.

Chase means The Chase Manhattan Bank (National Association), a national banking association.

Chase Revolving Credit Agreement means the Credit Agreement between WSC Sales and Chase, dated the date of the first Closing, providing for the extension of credit by Chase to WSC Sales during the period from such Closing to and including December 30, 1983 of up to an aggregate principal amount not exceeding \$35,000,000 at any one time outstanding.

Chase Security Agreements means, collectively, (a) the Security Agreement, dated as of July 31, 1977, among WSC Sales, Chase, CCC and Harvester, as amended and restated pursuant to an Amended and Restated Security Agreement among WSC Sales and Chase, CCC, dated the date of the first Closing and (b) the Supplemental Security Agreement among the Borrower and each of its Subsidiaries (other than WSC Sales), Chase and CCC, dated the date of the first Closing.

Chase Notes means the two promissory notes of the Borrower evidencing the loan made by Chase to the Borrower pursuant to the Chase Working Capital Loan Agreement.

Chase Working Capital Loan means the loan to the Borrower by Chase in the principal amount of \$15,000,000 pursuant to the Chase Working Capital Loan Agreement.

Chase Working Capital Loan Agreement means the Loan Agreement between the Borrower and Chase, dated the date of the first Closing, providing for a loan in the principal amount of \$15,000,000 to be made by Chase, guaranteed by the United States of America (to the extent of 90% thereof) and Harvester (to the extent of 10% thereof).

Cleveland Cliffs means The Cleveland-Cliffs Iron Company, an Ohio corporation.

Closing means one of the closings of the Lenders Loan at which Lenders Notes are delivered.

Completion means, with respect to the Program, the date set forth in Officers' Certificates delivered to the Trustee by the Borrower and the PIE certifying that the Program has been completed.

Consolidated Current Indebtedness, Consolidated Funded Indebtedness, Consolidated Indebtedness, Consolidated Net Worth, Consolidated Tangible Net Worth and Consolidated Working Capital means the Current Indebtedness, Funded Indebtedness, Indebtedness, Net Worth, Tangible Net Worth or Working Capital, as the case may be, of the Borrower and its Subsidiaries, computed, on a consolidated basis, in accordance with generally accepted accounting principles.

Current Indebtedness means all Indebtedness maturing on demand or not more than one year after the date of the creation thereof (excluding any Indebtedness renewable or extendable at the option of the debtor, absolutely or unconditionally, for a period or periods ending more than one year after the date of the creation thereof, whether or not theretofore extended or renewed), maturities and mandatory redemptions (except to the extent that funds for the payment thereof shall have been irrevocably deposited with or for the benefit of the holder of any such Indebtedness) and other prepayments required to be made with respect to any Indebtedness not more than one year after the date as of which the calculation is being made.

CWP means The Chicago, West Pullman & Southern Railroad Company, an Illinois corporation and a Wholly-Owned Subsidiary of Transportation.

Default means any Event of Default or event which with notice or lapse of time or both would become an Event of Default.

Derby means Derby & Co., Inc., a New York corporation.

Derby Security Agreement means the Security Agreement dated as of November 1, 1978, as amended from time to time, between WSC Sales and Derby.

Destruction means any damage to or destruction of all or any part of the Mortgaged Property.

Director means the Director, Office of Private Sector Investments, EDA, or the authorized representative of such officer.

EDA means the Economic Development Administration, Department of Commerce, United States of America.

EDA-Chase Guarantee means the guarantee issued by EDA pursuant to the EDA-Chase Guarantee Agreement.

EDA-Chase Guarantee Agreement means the agreement between Chase and the United States of America pursuant to which the United States of America guarantees the payment of principal of and interest on 90% of the Chase Working Capital Loan.

EDA-Guaranteed Chase Note means the Chase Note guaranteed under the EDA-Chase Guarantee in an original aggregate principal amount of not more than \$13,500,000.

EDA-Guaranteed Lenders Notes means the Lenders Notes evidencing the amount of the Lenders Loan guaranteed by the United States of America pursuant to the EDA-Lenders Guarantee in an original aggregate principal amount of not more than \$67,500,000.

EDA-Lenders Guarantee means the guarantee issued by EDA pursuant to the EDA-Lenders Guarantee Agreement.

EDA-Lenders Guarantee Agreement means the agreement among EDA, the Lenders, the Borrower and the Trustee pursuant to which the United States of America guarantees the payment of 90% of the principal of, and 90% of the interest on the Lenders Loan.

EDC means EDC, Inc., a Delaware corporation and a Wholly-Owned Subsidiary of the Borrower.

EDC Pledged Shares has the meaning set forth in Section 12.01 of the Indenture.

Empire means WSC Empire, Inc., a Delaware corporation and a Wholly-Owned Subsidiary of Mining.

Enland means Enland Corp., a Delaware corporation and a Wholly-Owned Subsidiary of the Borrower.

Envirodyne means Envirodyne Industries, Inc., a Delaware corporation.

Envirodyne-EDA Agreement means the agreement, dated as of the date of the first Closing, between Envirodyne and EDA prohibiting the transfer by Envirodyne of the shares of ESC for a period not exceeding six years from the date of the first Closing, without the prior consent of EDA.

Envirodyne Tax Agreement means an agreement between Envirodyne and the Lenders in the form attached to the Lenders Loan Agreements as Exhibit E.

Envirosonics means Envirosonics, Inc., a California corporation.

EPA means the Environmental Protection Agency of the United States of America.

Equity Contribution means the amounts paid by the Borrower with respect to total Program Costs, as required by the Public Works and Economic Development Act of 1965, as amended.

ERISA means the Employee Retirement Income Security Act of 1974, as amended and in effect from time to time.

ERISA Plan means any employee plan which is subject to the provisions of Title IV of ERISA and which is maintained by or on behalf of the Borrower or any Subsidiary of the Borrower.

ESC means Envirodyne Stock Company, a Delaware corporation and a Wholly-Owned Subsidiary of Envirodyne.

Event of Default has the meaning set forth in Section 7.01A of the Indenture.

Federal Securities Laws means the Securities Act of 1933, as amended as now or hereafter in effect, or any similar statute hereafter enacted analogous in purpose or effect, and regulations thereunder.

Financing Institution means any bank, trust company or other financing institution referred to in 31 U.S.C. 203 or 41 U.S.C. 15.

Financing Statement means the financing statement or continuation statement filed pursuant to the provisions of the Uniform Commercial Code of a State or any other jurisdiction the laws of which are applicable.

Funded Indebtedness means any Indebtedness (other than Current Indebtedness) having a final maturity (or which is renewable or extendable at the option of the debtor for a period ending) more than one year after the date of creation thereof.

Guarantors means EDC, Steel, WSC, WSC Sales, Transportation, Shipping and CWP.

Harvester means International Harvester Company, a Delaware corporation.

Harvester Guarantee Agreement means the agreement between Harvester and each Lender pursuant to which Harvester guarantees the payment of 10% of the principal of, and 10% of the interest on the Lenders Loan.

Harvester Guaranteed Lenders Notes means the Lenders Notes guaranteed under the Harvester Guarantee Agreement in an original aggregate principal amount of not more than \$7,500,000.

Harvester Security Agreements means the security documents executed by the Borrower and certain of its Affiliates in favor of Harvester pursuant to the July 31, 1977 Agreement.

Harvester Standby Agreement means the Revolving Standby Credit Agreement, dated the date of the first Closing, among Chase, the Borrower and Harvester, providing for revolving credit loans by Chase to the Borrower, on an unsecured basis, during the period from the date of such Closing to and including December 30, 1983, up to but not exceeding in the aggregate \$10,000,000 at any one time outstanding under the guarantee of Harvester.

Holder means, with respect to any Lenders Note, the Person registered with the Trustee as owner of such Note, *provided* that such Person, if an assignee, is not the Borrower or an Affiliate of the Borrower.

HUD means the Department of Housing and Urban Development, United States of America.

Indebtedness means all obligations for borrowed money, whether direct or indirect, absolute or contingent, and shall include (a) Indebtedness secured by any Lien existing on or encumbering property owned by the Person whose Indebtedness is being determined, whether or not the Indebtedness secured thereby shall have been assumed, and (b) all Indebtedness of others which such Person has directly or indirectly guaranteed, endorsed (otherwise than for collection or deposit in the ordinary course of business), discounted with recourse or agreed to purchase or repurchase or otherwise acquire.

Indenture means the Indenture of Mortgage and Trust and Security Agreement, dated as of the date of the first Closing, among ESC, the Borrower, the Restricted Subsidiaries and the Trustee, securing the Lenders Notes.

Independent Public Accountant means Coopers & Lybrand or another certified public accountant licensed by any regulatory authority of a State or other political subdivision of the United States, or a public accountant licensed by such a regulatory authority prior to January 1, 1971, and independent of Borrower in the sense prescribed by the Code of Professional Ethics of the American Institute of Certified Public Accountants.

Inter-Creditor Agreement means the agreement among the Lenders, Harvester and Chase in the form attached to the Lenders Loan Agreements as Exhibit F.

Inventory means coal, coke, iron ore and related minerals, iron ore pellets, iron and steel scrap and iron, steel and steel products, (including without limitation, billets, bars and special sections) and all other minerals and raw materials used in, or materials or work in process or finished goods which are the products of, the manufacture of steel and steel products.

Investment in any Person means all investments, computed in accordance with generally accepted accounting principles, made by purchase or other acquisition of stock or any other Securities, capital contribution, guarantee of any Indebtedness of such Person, other liability in respect of any Indebtedness of such Person or loan or advance to such Person.

July 31, 1977 Agreement means the agreement dated as of July 31, 1977 between Harvester and Borrower, as amended and restated as of the date of the first Closing pursuant to the Substitution Agreement.

Lender means one of the six private lending institutions making the Lenders Loan and named in the Schedule of Lenders attached to the Lenders Loan Agreements, subject to substitution pursuant to section 11 of the Lenders Loan Agreements.

Lenders Loan means the aggregate principal amount of funds loaned by the Lenders pursuant to the Lenders Loan Agreements.

Lenders Loan Agreements means the six separate loan agreements, dated as of the date of the EDA-Lenders Guarantee, each between the Borrower and the respective Lenders, identical to each other Lenders

Loan Agreement (except for the signature of the Lender), providing for the making of the Lenders Loan and the issuance and delivery of the Lenders Notes.

Lenders Notes means the 9³/₄% Guaranteed Notes of the Borrower due May 1, 1982-November 1, 1999, evidencing the Lenders Loan, and all Notes issued in exchange therefor or in replacement thereof.

Lien means any voluntary or involuntary mortgage, lien, charge, encumbrance or other security interest of any kind in or on, or pledge of, any property or assets, real or personal, tangible or intangible.

Marquette means WSC Marquette, Inc., a Delaware corporation and a Wholly-Owned Subsidiary of Mining.

Mining means Envirodyne Mining Company, a Delaware corporation and a Wholly-Owned Subsidiary of EDC.

Mining Interests Assets means all "Purchased Assets" acquired from Harvester pursuant to the July 31, 1977 Agreement which are owned by any Mining Interests Subsidiary and subject to the Lien of the Harvester Security Agreements (including any assets acquired by any Mining Interests Subsidiary in replacement, substitution, renewal or expansion thereof).

Mining Interests Guarantee Agreement means the agreement, dated as of the date of the first Closing, between Harvester and EDA providing for payments by Harvester to EDA of up to \$30,000,000 upon certain conditions.

Mining Interests Subsidiaries means Mining, Benham, Empire, Marquette, Enland and any other Wholly-Owned Subsidiary of the Borrower which is incorporated or organized under the laws of the United States of America or a State thereof or the District of Columbia and which owns all or any part of the Mining Interests Assets and any assets acquired in replacement, substitution, renewal or expansion of the Mining Interests Assets.

Mining Partnerships means, collectively, (i) the Empire Iron Mining Partnership created pursuant to the Empire Iron Mining Partnership Agreement dated as of January 1, 1975, among the Cleveland-Cliffs Iron Company, Inland Steel Company, McLouth Steel Corporation and Harvester, as amended from time to time and (ii) the Marquette Iron Mining Partnership created pursuant to the Marquette Partnership Agreement dated as of April 30, 1978, among the Cleveland-Cliffs Iron Company, J & L Cliffs-Ore Partnership, Wheeling Pittsburgh Steel Corporation and Marquette, as amended from time to time.

Mortgaged Property means the property described as subject to the Indenture under granting clause I.

Mortgaged Real Property means the real property comprised in the Mortgaged Property.

Net Income means net income of the Borrower and its Subsidiaries determined in accordance with generally accepted accounting principles after deduction for taxes (paid and deferred) and extraordinary items.

Net Worth means the excess of total assets of the Borrower and its Subsidiaries over total liabilities, all as determined in accordance with generally accepted accounting principles consistently applied, *provided* that in determining total assets, inventories shall be valued at the lesser of the market value thereof or the value thereof calculated on a last-in first-out basis.

Note Payment Fund means the trust fund established pursuant to Section 2.06 of the Indenture.

Officers' Certificate means, with respect to any Person, including the Borrower, a certificate signed on behalf of such Person by its Chairman of the Board or President or a Vice President and by its principal financial officer or its Treasurer or its Controller (or equivalent representatives thereof).

Opinion of Counsel means the written opinion of a firm of attorneys acceptable to EDA and/or, as the case may be, the Trustee, Chase, Harvester and the Lenders.

Outstanding means, when used as of any particular time with respect to the Lenders Notes, all of the Lenders Notes theretofore issued pursuant to the Indenture or issued in exchange for or in replacement of any Lenders Notes pursuant to the Indenture except, as of that time, any Lenders Notes or portions thereof (a) which have been cancelled by the Trustee or delivered to the Trustee for cancellation pursuant to the Indenture or (b) which have been exchanged for or in replacement of other Lenders Notes pursuant to the Indenture.

Paid in Full in Cash with respect to any amount guaranteed as to the principal or premium thereof and interest thereon means that the principal of, premium, if any, so guaranteed, and interest on such amount shall have been paid in full in cash, subject, in the case of the EDA-Lenders Guarantee, to any reduction required by section 2 thereof, and, in the case of the Harvester Guarantee Agreement, to any reduction required by section 3.2 thereof and that no part of such amount is or may thereafter be subject to repayment pursuant to any order (whether or not final) or any court of competent jurisdiction.

Partial Destruction means a Destruction of the Mortgaged Property other than a Total Destruction.

Partial Taking means a Taking of the Mortgaged Property other than a Total Taking.

Permitted Liens means:

- (a) Liens created by the Indenture and the Harvester Security Agreements;
- (b) Liens (i) created or continued under the Chase Security Agreements or any replacement thereof in favor of Chase or CCC (including any Lien arising in connection with Indebtedness to CCC or any substitute warehouseman), and (ii) in the case of WSC Sales only, created pursuant to the Derby Security Agreement or any replacement thereof in favor of Derby.
- (c) Liens for taxes or assessments or other governmental charges or levies not yet due and payable or to the extent that nonpayment thereof may be permitted by the Indenture;
- (d) purchase money Liens in respect of property acquired by the Borrower or any of the Restricted Subsidiaries after the date of the first Closing and securing Funded Indebtedness permitted by Section 5.01(g), *provided* that no such Lien shall extend to or over any other property of the Borrower or any of the Restricted Subsidiaries unless EDA shall have approved such extension;
- (e) Liens evidencing Indebtedness incurred to finance capital improvements pursuant to Article 13;
- (f) mechanics, materialmen's and other statutory Liens for labor and materials arising from or in the ordinary course of business, in connection with the Program or in the operations of the Borrower and the Restricted Subsidiaries which are not in an amount which have a material effect on the operations of the Borrower and the Restricted Subsidiaries;
- (g) encroachments, overlaps, gaps, boundary line disputes or claims, any matter which would be disclosed by an accurate survey or inspection of the Mortgaged Real Property, none of which is material to the value or usefulness of the Mortgaged Real Property;
- (h) the general exceptions, the specific exceptions and the easements, licenses, leases and agreements described in the legal description of the Mortgaged Real Property set forth in Schedule A;
- (i) Liens arising out of the agreement relating to the financing of pollution control facilities, including (i) a Construction, Financing and Installment Sale Agreement dated as of August 1, 1976

(i) securing the Indebtedness of WSC described in paragraph A.3. of Exhibit L to the Lenders Loan Agreement, and (ii)

between the Illinois Pollution Control Financing Authority (the "Authority") and Harvester, (ii) an Additional Agreement relating to Pollution Control Facilities, dated as of August 1, 1976, between the Authority and Harvester, (iii) an Indenture of Trust, dated as of August 1, 1976, between the Authority and Continental Illinois National Bank and Trust Company of Chicago, as trustee (the "1976 Trustee"); (iv) a Grant of Easement dated August 11, 1976 among Harvester, the Authority and the 1976 Trustee; and (v) the Assignment of Construction, Financing and Installment Sales Agreement between Harvester and WSC dated July 31, 1977;

(j) any law, ordinance or government regulation (including but not limited to building and zoning ordinances and environmental laws, statutes and ordinances) restricting, regulating or prohibiting the occupancy, use or enjoyment of the Mortgaged Real Property, or the water, public ways or private ways adjoining or pertinent to the Mortgaged Real Property or regulating the character, dimension or area of the Mortgaged Real Property or the effect of any violation of any such law, ordinance, statute or government regulation;

(k) such other imperfections of title, encumbrances, covenants and restrictions as are not substantial in character, amount or extent which do not materially interfere with the use of the Mortgaged Real Property; and

(l) Liens on the respective partnership interests of Empire and Marquette securing the obligations of Empire and Marquette as partners in the Mining Partnerships.

Person means any natural person, firm, trust, partnership, joint venture, unincorporated association, corporation, government agency or political subdivision thereof.

Phibro means Engelhard Minerals & Chemicals Corporation, a Delaware corporation, and includes the Philipp Brothers Division thereof.

Phibro Put means the Agreement as to Guaranteed Disposition of Certain Inventory Collateral dated as of July 31, 1977 between Phibro and Chase, as in effect from time to time.

PIE means any Person at the time designated (with the approval of EDA) to act as the Project Inspection Engineer by an Officers' Certificate furnished to the Trustee by the Borrower and containing the specimen signature of such Person.

PIE Agreement means the agreement between the Borrower and the PIE, dated as of the date of the first Closing.

Pledged Collateral has the meaning set forth in Section 12.01 of the Indenture.

Pledged Shares means the stock of any corporation pledged pursuant to Article 12 of the Indenture.

Pledgors has the meaning set forth in Section 12.01 of the Indenture.

Preferred Stock means Securities which are preferred as to the payment of dividends over any other Securities or which have preference in liquidation.

Program means the modernization and rehabilitation of certain facilities and the installation of certain systems at the Wisconsin Steel Works through the completion of Projects and the arrangement of financing therefor.

Program Costs means (i) all costs incurred subsequent to April 17, 1978 in connection with the arrangement of the financing for the Program through the loans evidenced by the Lenders Notes and the Chase Notes including, without limitation, costs of personnel (other than employees of the Borrower and its Affiliates), printing, legal fees, commissions, amounts due to the Trustee under Article 8 of the Indenture, recording fees, consulting fees, and other costs of the Borrower and its Subsidiaries reasonably allocable to the Program, interest accrued on the Lenders Notes during the period commencing with the date interest first

accrued on the principal of any of the Lenders Notes and ending thirty months thereafter, and initial fees of the Trustee under the Indenture; (ii) fees of the PIE; and (iii) all Project Costs.

Program Fund means the trust fund created pursuant to Section 2.01 of the Indenture.

Projects means the primary and supplementary projects listed in the Indenture for the modernization and rehabilitation of certain facilities and the installation of certain systems at the Wisconsin Steel Works and the purchase and installation of certain equipment under the Program.

Projects Costs means all costs incurred subsequent to April 17, 1978 with respect to the initiation and completion of the Projects including, but not by way of limitation, engineering fees, costs for the purchase and installation of equipment and costs of the Borrower and its Subsidiaries reasonably allocable to the Projects.

Receivable(s) means the obligation(s) of a customer of the Borrower or any Subsidiary of the Borrower in respect of the purchase of Inventory from the Borrower or such Subsidiary.

Requisition means a request for payment or reimbursement from the Program Fund.

Restoration means the renewal, repair, building or other replacement of a damaged or destroyed portion of the Mortgaged Property or the utilization of the Restoration Fund to otherwise improve the value of the Mortgaged Property.

Restoration Fund means the trust fund established pursuant to Section 2.03 of the Indenture.

Restricted Subsidiaries shall mean EDC, Steel, WSC, WSC Sales, Transportation, Shipping and CWP.

Securities means any stocks, bonds, debentures, notes, evidences of indebtedness, or, in general, any instruments commonly known as "securities", or any temporary or interim certificates for, receipts for, guarantees of, or warrants or rights to subscribe to or purchase, any of the foregoing.

Security Agreements means the EDA-Lenders Guarantee, the EDA-Chase Guarantee, the Harvester Guarantee Agreement, the Chase Security Agreements and the Indenture.

Shipping means WSC Shipping Company, Inc., a Delaware corporation and a Wholly-Owned Subsidiary of Transportation.

Shipping-CWP Pledged Shares has the meaning set forth in Section 12.01 of the Indenture.

Steel means Wisconsin Steel Company, a Delaware corporation and a Wholly-Owned Subsidiary of EDC.

Steel-Transportation Pledged Shares has the meaning set forth in Section 12.01 of the Indenture.

Subsidiary of any Person means any corporation a majority of the outstanding shares of each class or classes (however designated) of the voting stock of which, other than directors' qualifying shares, shall at the time be owned by such Person, by one or more Subsidiaries of such Person or by such Person and by one or more Subsidiaries of such Person.

Substitution Agreement means the Substitution Agreement, dated as of the date of the first Closing, among Harvester, IH Steel Corporation, an Illinois corporation, Envirodyne, Envirosonics, ESC, the Borrower and each of the Borrower's Wholly-Owned Subsidiaries.

Taking means any taking of any part of the Mortgaged Property, or any interest therein or right accruing thereto, including, without limitation, any right of access thereto existing on the date of the

Indenture, as the result of or in lieu of or in anticipation of the exercise of the right of condemnation or eminent domain, or a change of grade affecting the Mortgaged Property or any part thereof.

Tangible Net Worth means the Net Worth of a Person less the sum of the following (without duplication of deductions in respect of items already deducted in arriving at surplus and retained earnings): (a) the book value of all assets which would be treated as intangibles under generally accepted accounting principles, including, without limitation, goodwill, trademarks, tradenames, copyrights, licenses and rights with respect to the foregoing, and unamortized debt discount and expense (other than capitalized interest); (b) all reserves which should be currently shown on a consolidated balance sheet (except contingency reserves, not allocated to specific purposes and not deducted from assets, which are properly treated as allocations of surplus or retained earnings); (c) any write-up in book value of assets resulting from a revaluation thereof as at a date subsequent to June 30, 1979; and (d) minority interests in Subsidiaries of the Borrower.

Total Destruction means the Destruction of all or substantially all of the Mortgaged Property so that in the good faith judgment of the Board of Directors of the Borrower, Restoration of such Mortgaged Property is not economically feasible.

Total Taking means the taking of the entire Mortgaged Property other than for temporary use or of such a substantial part of the Mortgaged Property that, in the good faith judgment of the Board of Directors of the Borrower, either (a) the portion of the Mortgaged Property remaining after such Taking (and after Restoration) is unsuitable for use by the Borrower in the operation of its business, or (b) Restoration of such portion of the Mortgaged Property is not economically feasible.

Transportation means Evirodyne Transportation Company, a Delaware corporation and a Wholly-Owned Subsidiary of EDC.

Trustee means Continental Illinois National Bank and Trust Company of Chicago, as Trustee, or its successor at the time acting as Trustee, for the Holders of the Lenders Notes under the Indenture.

Warehouseman's Guarantees means the Indebtedness of WSC and Affiliates of WSC to CCC or any substitute warehouseman arising in connection with the Chase Security Agreements.

Wholly-Owned Subsidiary of any Person means any Subsidiary, all the outstanding shares of each class or classes (however designated) of the voting stock of which, other than directors' qualifying shares, shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person, or by such Person and one or more Wholly-Owned Subsidiaries.

Wisconsin Steel Works means the steelmaking facilities owned by WSC and located in Chicago, Illinois.

Working Capital of any Person means (a) the aggregate amount of all current assets of such Person (*provided, however, that in no event shall current assets include (i) any deferred assets, other than prepaid items such as insurance, taxes, interest, commissions, rents, royalties and similar items or (ii) the greater of the amount of (x) receivables more than 120 days past due or (y) reserves for doubtful accounts, or (iii) cash or cash equivalents held in trust or in escrow (including any such items or Authorized Securities held by the Trustee in the Program Fund, the Restoration Fund or the Note Payment Fund) less (b) the aggregate amount of all current liabilities of such Person (provided, however, that in no event shall current liabilities include accounts payable in respect of construction to the extent payable out of funds available for such purpose in the Program Fund or the Restoration Fund, or Indebtedness incurred in respect of money borrowed other than Current Indebtedness in respect of the Chase Revolving Credit Agreement and the Harvester Standby Agreement and Indebtedness permitted by clause (h) of Section 5.01).*

WSC means WSC Corp., a Delaware corporation and a Wholly-Owned Subsidiary of Steel.

WSC Pledged Shares has the meaning set forth in Section 12.01 of the Indenture.

WSC Sales means WSC Sales, Inc., a Delaware corporation and a Wholly-Owned Subsidiary of Steel.

ARTICLE 15.

NOTICES, CONSENTS AND DEMANDS

15.01. *Notices to Interested Persons.* The Trustee will deliver to each Holder of a Lenders Note, EDA and Harvester promptly upon receipt thereof, duplicates or copies of all notices, requests, instruments and other documents received by the Trustee hereunder to the extent that the same shall not have been furnished pursuant thereto to such Person.

15.02. *Notices Hereunder.* Subject to the provisions of Section 15.03 all notices, consents, demands and other written communications hereunder shall be deemed to have been given when personally delivered or mailed by first class registered or certified mail, postage prepaid or telegraphed, addressed, (a) if to ESC, the Borrower or a Restricted Subsidiary, at 410 North Michigan Avenue, Chicago, Illinois 60611, to the attention of its President, or at such other address as ESC, the Borrower or a Restricted Subsidiary, shall have furnished in writing to the Trustee, EDA, Harvester and each Holder of any Lenders Note, or (b) if to EDA, to: Director, Office of Private Sector Investments, United States Department of Commerce, Economic Development Administration, Washington, D.C. 20230, or at such other address as EDA shall have furnished in writing to the Borrower, the Trustee, Harvester and each Holder of any Lenders Note, or (c) if to Harvester, at 401 North Michigan Avenue, Chicago, Illinois 60611, to the attention of its General Counsel, or at such other address as Harvester shall have furnished in writing to the Trustee, EDA, the Borrower and each Holder of any Lenders Note, or (d) if to one of the Lenders, at its address set forth in the Schedule of Lenders attached to the Lenders Loan Agreements, or at such other address for such purpose as it shall have furnished to the Borrower, EDA, Harvester and the Trustee in writing, or (e) if to any other Holder of any Lenders Note, at such address as such Holder shall have furnished to the Trustee, in writing, or until any such Holder so furnishes an address to the Trustee, then to and at the address of the last Holder of such Lenders Note who has so furnished an address to the Borrower and the Trustee, or (f) if to the Trustee, at the principal corporate trust office of the Trustee in Chicago, Illinois.

15.03. *Approvals, Acceptances and Consents By EDA.* The approval, acceptance or consent of EDA under any provision of this Indenture shall not be unreasonably withheld and, if EDA shall not have given notice that it does not approve of, find acceptable or consent to the taking of any action under Section 2.05 or 8.03 within 15 days or 30 days, respectively, of the receipt by EDA of a request in writing for such approval, acceptance or consent, EDA shall be deemed to have approved of, found acceptable or consented to, such action for all purposes of this Indenture. Notwithstanding any contrary provision in Article 9, the Trustee will upon the written request of the Borrower and with the sole written consent of EDA, at any time and from time to time, waive compliance with (either generally or in a particular instance and either retroactively or prospectively) any of the terms of Sections 4.08(a)(4), 4.18, 4.19, 4.20, 4.23, 4.24, 4.25, 4.28, 5.08, 5.09, 5.16, 5.17, 5.18, 5.19 or 5.20.

ARTICLE 16.

NEGATIVE COVENANT OF ESC

ESC will not engage in any business and will not voluntarily incur any liability or obligation other than obligations (a) to pay franchise taxes and (b) incurred pursuant to this Indenture.

ARTICLE 17.

MISCELLANEOUS PROVISIONS

17.01. *Headings.* The headings of this Indenture are for the purpose of reference only, and shall not limit or define the meaning hereof. Except as otherwise indicated, reference herein to any "Article" or "Section" means an article or a section of this Indenture.

17.02. *Severability.* Each covenant and agreement contained in this Indenture is intended to be, and shall be construed to be a separate and independent covenant. If any term contained in this Indenture or in the Notes or any application thereof shall be invalid and unenforceable, the remainder of this Indenture and the Notes and any other application of such term shall not be affected thereby.

17.03. *Benefit of Indenture.* Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon or to give to any Person, other than the parties hereto, and to the extent provided herein, EDA, Harvester, Chase and the Holders of the Lenders Notes, any right, remedy or claim under or by reason of this Indenture, or any covenant, condition or term hereof; and the covenants, conditions and terms contained in this Indenture are and shall be for the sole and exclusive benefit of the parties hereto, EDA and Harvester, their respective successors and assigns, and of the Holders of the Lenders Notes issued hereunder.

17.04. *Successors and Assigns.* This Indenture shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns, and, in particular, shall inure to the benefit of and be enforceable by any Holder or Holders at the time of any Lenders Note.

17.05. *Waivers, Changes, etc.* Neither this Indenture, nor any term hereof may be waived, changed, discharged or terminated orally, but only as permitted by this Indenture.

17.06. *Governing Law.* This Indenture is being executed and delivered and is to be performed in the State of Illinois, and shall be construed and enforced in accordance with and governed by the laws of the State of Illinois, including all matters of construction, validity and performance.

17.07. *Counterparts of Indenture.* This Indenture may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, Envirodyne Stock Company, EDC Holding Company, EDC, Inc., Wisconsin Steel Company, WSC Corp., WSC Sales, Inc., Envirodyne Transportation Company, WSC Shipping, Inc., The Chicago, West Pullman & Southern Railroad Company have caused this Indenture to be signed in their names and on their behalf by their respective Presidents or a Vice President and their respective corporate seals to be hereunto affixed and attested by their respective Secretaries or an Assistant Secretary, and to evidence its acceptance of the trusts hereby created, Continental Illinois National Bank and Trust Company of Chicago has caused this Indenture to be signed in its name and on its behalf by one of its officers, its official seal to be hereunto affixed and the same to be attested by one of its officers, both of whom are thereunto duly authorized, and Envirodyne Stock Company, EDC Holding Company, EDC, Inc., Wisconsin Steel Company, WSC Corp., WSC Sales, Inc., Envirodyne Transportation Company, WSC Shipping, Inc., The Chicago, West Pullman & Southern Railroad Company, and Continental Illinois National Bank and Trust Company of Chicago have caused this Indenture to be dated as of November 1, 1979.

ATTEST

Maxine H. Hinde
Assistant Secretary

ATTEST

Maxine H. Hinde
Assistant Secretary

ATTEST

Maxine H. Hinde
Assistant Secretary

ATTEST

Maxine H. Hinde
Assistant Secretary

ENVIRODYNE STOCK COMPANY

By Robert H. Hinde
Vice President

EDC HOLDING COMPANY

By Robert H. Hinde
Vice President

EDC, INC.

By Robert H. Hinde
Vice President

WISCONSIN STEEL COMPANY

By Robert H. Hinde
Vice President

ATTEST

Maxine H. Lunde
Assistant Secretary

ATTEST

Maxine H. Lunde
Assistant Secretary

ATTEST

Maxine H. Lunde
Assistant Secretary

ATTEST

Maxine H. Lunde
Assistant Secretary

ATTEST

R. H. Lunde
Attorney-In-Fact

ATTEST

[Signature]
TRUST OFFICER

WSC CORP.

By R. H. Lunde
Vice President

WSC SALES, INC.

By R. H. Lunde
Vice President

ENVIRODYNE TRANSPORTATION COMPANY

By R. H. Lunde
Vice President

WSC SHIPPING, INC.

By R. H. Lunde
Vice President

THE CHICAGO, WEST PULLMAN & SOUTHERN
RAILROAD COMPANY

By [Signature]
Vice President

CONTINENTAL ILLINOIS NATIONAL BANK AND
TRUST COMPANY OF CHICAGO

By [Signature]
VICE PRESIDENT

ANNEX A - Property Description

(A) Legal Description

PARCEL G Tract 2:

Those portions of land formerly included in Notre Dame Addition to South Chicago, in Fractional Section Seven (7), South of the Indian Boundary Line, Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, and now vacated, described as follows: Beginning at the point of intersection of the West Line of Muskegon Avenue with the South Line of One Hundredth (100th) Street; thence West along the South Line of One Hundredth (100th) Street, Three Hundred Seventy-Seven (377) feet to the East Line of Block Eight (8) (now vacated) in Notre Dame Addition aforesaid; thence South along the East Line of Block Eight (8), Thirteen (13) and Twenty-Nine (29) (now vacated) One Thousand Seven Hundred Ninety-Eight and Five Hundredths (1,798.05) feet to the North Line of One Hundred and Third (103rd) Street; thence East along said North Line of One Hundred and Third (103rd) Street, Two Hundred Eighteen and Five Tenths (218.5) feet to the West Line of an alley; thence North along said alley line One Thousand Three Hundred Twenty-One and Seventy-One Hundredths (1,321.71) feet to the North Line of One Hundred and First (101st) Street; thence East along said Street line One Hundred Fifty-Seven and Six Tenths (157.6) feet to the West Line of Muskegon Avenue; thence North along said street line Four Hundred Seventy-Six and Eight Tenths (476.8) feet to the South Line of One Hundredth (100th) Street; thence West along said street line, Three Hundred and Seventy-Seven (377) feet to the point of beginning, situated in the County of Cook, and State of Illinois.

PARCEL H Tract 1:

Lots One (1) to Sixteen (16) both inclusive and Lots Twenty-Two (22) and Twenty-Three (23) in Block Fourteen (14), Lots One (1) to Twenty-Three (23) both inclusive in Block Twenty-Eight (28), all in Notre Dame Addition to South Chicago, being a Subdivision of the South Three Quarters (S 3/4) of Fractional Section Seven (7), Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, situated in the County of Cook and State of Illinois.

PARCEL H Tract 2:

Lots Seventeen (17), Eighteen (18) and Nineteen (19) in Block Fourteen (14), in Notre Dame Addition to South Chicago being a subdivision of the South Three-Quarters (S 3/4) of Fractional Section Seven (7), South of the Indian Boundary Line in Township 37 North, Range Fifteen (15) East of the Third Principal Meridian, situated in the County of Cook, State of Illinois.

PARCEL H
Tract 3:

Lots Twenty (20) and Twenty-One (21) in Block Fourteen (14) in Notre Dame Addition to South Chicago, being a Subdivision of the South Three-Fourths (S 3/4) of Fractional Section Seven (7), Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, situated in the County of Cook and State of Illinois.

PARCEL K
Tract 1:

The North Fifty (N 50) feet of the South One Hundred (S 100) feet of the North One Hundred Thirty-Six (N 136) feet of the East One Hundred Thirty-Eight (E 138) feet of Block Forty-Eight (48) in Notre Dame Addition to Chicago, being a subdivision of the South Three-Quarters (S 3/4) of Fractional Section Seven (7), Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, situated in Cook County, Illinois, South of the Indian Boundary Line.

PARCEL K
Tract 2:

Block Forty-Eight (48) [excepting from said Block the right of way of the Pittsburg, Fort Wayne and Chicago Railroad Company, the Chicago and Western Indiana or "Belt" Railroad and the Chicago, Rock Island and Pacific Railroad Company and excepting also that part of said Block Forty-Eight (48) lying East of said railroad right of way and excepting also the East One Hundred and Thirty-Eight (E 138) feet of the North One Hundred and Thirty-Six (N 136) feet of said Block] in Notre Dame Addition to South Chicago, being a subdivision of the South Three-Quarters (S 3/4) of Fractional Section Seven (7), South of the Indian Boundary Line, in Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, situated in the County of Cook and State of Illinois.

PARCEL K
Tract 3:

The South Fifty (S 50) feet of the North One Hundred Thirty-Six (N 136) feet of the East One Hundred Thirty-Eight (E 138) feet of Block Forty-Eight (48) in Notre Dame Addition to Chicago, being a subdivision of the South Three-Quarters (S 3/4) of Fractional Section Seven (7), Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, situated in the County of Cook and State of Illinois.

Annex A

PARCEL L
Tract 1:

Lots Forty-Three (43) and Forty-Four (44) [except that part of said Lot Forty-Four (44) lying Northwesterly of a line described as follows: Commencing at a point on the North Line of said Lot Forty-Four (44), Twenty-Seven and Nine Tenths (27.9) feet East of the Northwest Corner of said Lot; thence running Southwesterly on a curved line convex to the Northwest, having a radius of Five Hundred Eighty-Seven and Five Tenths (587.5) feet to a point on the West Line of said Lot Forty-Four (44), Twenty-Three and Four Tenths (23.4) feet South of the Northwest Corner of said Lot Forty-Four (44), together with the West Ten (10) feet of the North and South vacated alley lying East of and adjacent to the East Line of said Lots Forty-Three (43) and Forty-Four (44)], in Block Fifty-Four (54) in Notre Dame Addition to South Chicago being a subdivision of the South Three-Quarters (S 3/4) of Fractional Section Seven (7), South of the Indian Boundary Line, in Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, situated in the County of Cook and State of Illinois, containing Eleven Thousand Three Hundred (11,300) square feet, more or less.

PARCEL L
Tract 2:

The West Half (W 1/2) of the property contained in the vacated alley lying East of Lots Forty-Three (43) and Forty-Four (44), all in Block Fifty-Four (54) in Notre Dame Addition to South Chicago, being a subdivision of the South Two-Thirds (S 2/3) of Section Seven (7), Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, situated in the County of Cook and State of Illinois.

PARCEL M:

The South One Hundred and Sixty (S 160) feet, except the West Ninety (W 90) feet thereof, of Lot Five (5), in Block Fifty-Three (53) of Notre Dame Addition to South Chicago, being a subdivision of the South Three-Fourths (S 3/4) of fractional Section Seven (7), Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, situated in the County of Cook and State of Illinois.

PARCEL N
Tract 1:

Lots 1, 2 and 3 in Wisconsin Steel Works Subdivision in the South West 1/4 of Fractional Section 7, Township 37 North, Range 15 East of the Third Principal Meridian according to the plat thereof recorded December 31, 1930 as document number 10819007.

PARCEL N
Tract 2:

An irregular shaped parcel of land in the Easterly part of Block Fifty-Three (53) in Notre Dame Addition to South Chicago, being a subdivision of the South Three-Quarters (S 3/4) of Fractional Section Seven (7), Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, Cook County, Illinois, more particularly described as follows: viz:

Commencing at a point of intersection of the East Line of said Block Fifty-Three (53) and the Southeasterly Line of Lot "C", said point of intersection being Four Hundred Forty and Forty-Six Hundredths (440.46) feet distant North from the Southeast Corner of said Block; measured along said East Line thereof;

Thence North, along said last mentioned line, a distance of Thirty and Seventeen Hundredths (30.17) feet to a point in the Westerly Line of right-of-way of the Grantor, (said line also being the Easterly line of right-of-way of the Chicago and Western Indiana Railroad Company as conveyed to it by Quit Claim Deed, dated October 14, 1938, from Allan W. Brown, et al, heirs at law of John B. Brown, deceased, recorded October 21, 1938 in Book 34703, Page 532 Cook County Records) as established by Chicago Guarantee Survey Company Plat of Survey, revised August 2, 1943, said point being One Hundred Ten and Twenty-Four Hundredths (110.24) feet South of the North Line of said Block;

Thence Southwesterly along said aforementioned Westerly line of right-of-way of the Grantor, the same being a curved line convex to the Northwest, having a radius of Five Hundred Eighty-Seven and Fifty Hundredths (587.50) feet, an arc distance of Three Hundred Thirty-One and Sixty-Nine Hundredths (331.69) feet;

Thence North 7° 44' 35" East, a distance of Fourteen and Twenty Hundredths (14.20) feet;

Thence North 10° 27' 45" East, a distance of Twenty-Five and Thirty Hundredths (25.30) feet;

Thence North 11° 53' 20" East, a distance of Twenty-Five and Seventy Hundredths (25.70) feet;

Thence North 15° 05' 50" East, a distance of Twenty-Five and Seventy Hundredths (25.70) feet;

Annex A

PARCEL N
Tract 2
continued:

Thence North 16° 17' 35" East, a distance of Twenty-Six and No Hundredths (26.00) feet;

Thence North 18° 13' 35" East, a distance of Twenty-Six and Twenty Hundredths (26.20) feet;

Thence North 22° 35' 20" East, a distance of Twenty-Six and Eighty Hundredths (26.80) feet;

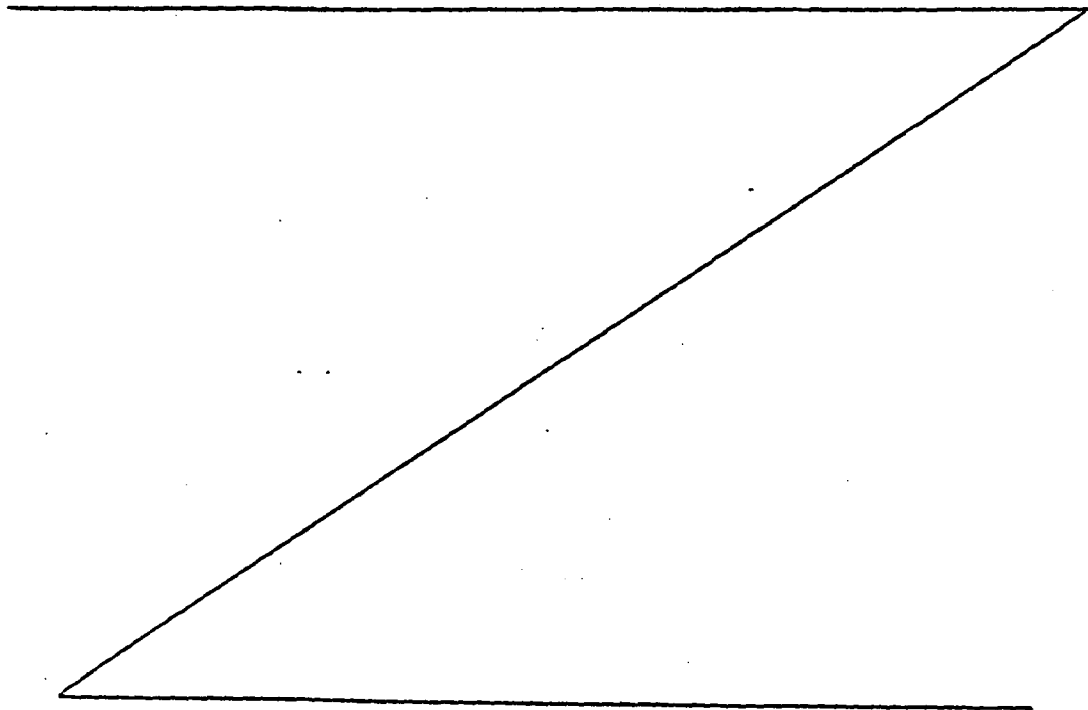
Thence North 23° 14' 55" East, a distance of Twenty-Seven and Sixty Hundredths (27.60) feet;

Thence North 26° 27' 5" East, a distance of Twenty-Seven and Sixty Hundredths (27.60) feet;

Thence North 31° 16' East, a distance of Fifty-Six and Four Hundredths (56.04) feet to point of intersection with a curve;

Thence Northeasterly along said curve, the same having a radius of One Thousand Two Hundred Eleven and Ten Hundredths (1211.10) feet, an arc distance of Two and Eighty-Seven Hundredths (2.87) feet to a point of tangency (said line being the Southeasterly Line of Lot "C");

Thence continuing Northeasterly along the Southeasterly Line of Lot "C", the same being a straight line tangent to last described line at said point of curvature, a distance of Twenty-Two and Sixty Hundredths (22.60) feet to the point of beginning, containing Fifteen Hundred (1500) square feet, more or less, situated in Cook County, Illinois.



Annex A

PARCEL P
Tract 1:

That part of the South Half (S 1/2) of Section Seven (7), Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, described as follows:

Beginning at the Southwest Corner of Block "A" in South Chicago Dock Company's Addition to South Chicago in said Section Seven (7), being the Northeast Corner of East 106th Street and South Muskegon Avenue, and running thence Northerly, along the West Line of said Block "A", a distance of Six Hundred Fifty-Nine (659) feet to its intersection with the North Line of the South Six Hundred Fifty-Eight and Ninety-Seven One Hundredths (658.97) feet of said Block; thence East, along said North Line of said South Six Hundred Fifty-Eight and Ninety-Seven One Hundredths (658.97) feet, a distance of Three Hundred Sixty-Seven and Twenty-Five One Hundredths (367.25) feet; thence North, along a line parallel to the East Line of said Section Seven (7), a distance of Twenty-One and Fifty-Three One Hundredths (21.53) feet to its intersection with a line Nine Hundred Fifty-One (951) feet South of and parallel to the South Line of Slip No. 3, as constructed at a point Thirty-Five (35) feet West of the Southwest Corner of Lot Three (3) of General Mills, Inc., Owner's Division of part of said South Chicago Dock Company's Addition, as per plat recorded on July 6, 1934, as Document Number 11424395; thence East, along the last mentioned parallel line and along the South Line of said Lot Three (3), a distance of Seven Hundred Forty-Nine and Sixty-Five One Hundredths (749.65) feet to the Southeast Corner of said Lot Three (3); thence North, along the East Line of Lots Two (2) and Three (3) of said General Mills, Inc., Owner's Division, a distance of Two Hundred Thirty-Three (233) feet to the Northeast Corner of said Lot Two (2), said corner being on a line Seven Hundred Eighteen (718) feet South of and parallel to said South Line of Slip No. 3, as constructed; thence East, along the last mentioned parallel line, being the South Line of Slip No.

4, as now constructed, a distance of One Thousand Eighteen and Ninety-Nine One Hundredths (1018.99) feet to its intersection with the West dock Line of the Calumet River, as established by Ordinance of the Common Council of the City of Chicago, passed December 3, 1917, at a point Nine Hundred Sixty-Three and Forty One Hundredths (963.40) feet North of and measured perpendicularly to the South Line of said Section Seven (7); thence Southerly, along said West dock line, to its intersection with the North Line of said East 106th Street; thence West, along said North Line, being a line Forty (40) feet North of and parallel to said South Line of Section Seven (7), a distance of Twenty-Two Hundred Seventy-Six and Forty-Six One Hundredths (2276.46) feet to the point of beginning;

Annex A

PARCEL P
Tract 2:

All those parts of said Slip No. 4 as now constructed, and of the Westerly Half of the Calumet River which lie North and East of the above described property, and South of a line Six Hundred Thirty-Eight (638) feet South of and parallel to said South Line of Slip No. 3, as now constructed;

Excepting from the above described Tracts 1 and 2 the following:

Exception A:
to PARCEL P

That certain real estate conveyed to General Mills, Inc. by Frederick E. Nagel and Frances McCormick Nagel, his wife, by deed dated July 3, 1939 and filed for record in the Office of the Recorder of Deeds for Cook County, Illinois, on the 19th day of July, 1939 as Document No. 12343254 and recorded in Book 35161, Page 30, described as follows:

That portion of the North and South private railroad street hereinafter described in South Chicago Dock Company's Addition to South Chicago in Section Seven (7), Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, which lies North of a line described as follows: Beginning at the intersection of the East Line of Block A in said South Chicago Dock Company's Addition to South Chicago with a line Six Hundred Fifty-Eight and Ninety-Seven One Hundredths ((658.97) feet North of and parallel to the South Line of said Block A and running thence East along said line Sixty (60) feet measured along said line; thence Northerly along a line parallel to the East Line of said Block A Twenty-One and Fifty-Three One Hundredths (21.53) feet more or less to a point on the extension West of the South Line of Lot Three (3) in General Mills, Inc. Owner's Division of a portion of said South Chicago Dock Company's Addition to South Chicago; thence East along the extension of said South Line of said Lot Three (3) to the Southwest Corner of said Lot Three (3), being a portion of that certain private railroad street not less than Seventy (70) feet in width extending from 106th Street on the South, North to an intersection with a private railroad street, Fifty (50) feet wide running from Muskegon Avenue northwards to 100th Street which is described in the deed from Edward T. Stotesbury to Star and Crescent Milling Company dated June 25, 1903, and filed for record in the Office of the Recorder of Deeds of Cook County, Illinois, on July 6, 1903, as Document No. 3413409;

and also excepting:

Exception B:
to PARCEL P

A strip of land in said South Chicago Dock Company's Addition to South Chicago described as follows:

Annex A

Exception B
continued:

Beginning at the Southeast Corner of Lot Three (3) in said General Mills, Inc. Owner's Division of a portion of said South Chicago Dock Company's Addition running thence Southwesterly to a point on a line Thirty-Three (33) feet South of and parallel to the South Line of said Lot Three (3), Thirty-Three (33) feet West of (measured along said parallel line) the East Line extended South of said Lot Three (3); thence West along said line Thirty-Three (33) feet South of and parallel to the South Line of said Lot Three (3) to the intersection of said parallel line with the extension South of the West Line of said Lot Three (3); thence Southwesterly to a point on a line Six Hundred Twenty Five and Ninety-Seven One Hundredths (625.97) feet North of and parallel to the South Line of Block A of said addition and Twenty-Five (25) feet East of the East Line of said Block A measured along said parallel line; thence West along said line parallel to and Six Hundred Twenty-Five and Ninety-Seven One Hundredths (625.97) feet North of said South Line of said Block A to the East Line of Muskegon Avenue; thence North along the East Line of Muskegon Avenue to a point Six Hundred Fifty-Nine (659) feet North of the Southwest Corner of said Block A measured along said West Line of said Block A; thence East along a line Six Hundred Fifty-Eight and Ninety-Seven One Hundredths (658.97) feet North of and parallel to the South Line of said Block A (which said line runs through said point Six Hundred Fifty-Nine (659) feet North of the South Line of said Block A measured along the West Line of said Block A) to a point Sixty (60) feet East of the East Line of said Block A measured along said line; thence Northerly along a line parallel to the East Line of said Block A Twenty-One and Fifty-Three One Hundredths (21.53) feet, more or less, to a point on the extension West of the South Line of said Lot Three (3) of said General Mills, Inc. Owner's Division; thence East along the extension of the South Line and the South Line of said Lot Three (3) to the Southeast Corner of said Lot Three (3) (the point of beginning);

and also excepting:

Exception C:
to PARCEL P

A tract of land in South Chicago Dock Company's Addition to South Chicago in Section Seven (7), Township Thirty Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian described as follows: Beginning at the Southwest Corner of Lot Nine (9) in General Mills, Inc., Owner's Third Division of a portion of said South Chicago Dock Company's Addition said point being Six Hundred Twenty Six (626) feet North of the Southwest Corner of Block "A" in said South Chicago Dock Company's Addition; thence East along the South line of said Lot Nine (9) being a line drawn Six Hundred Twenty Five and Ninety-Seven Hundredths (625.97) feet North and parallel to the South line of said Block "A" a distance of Three Hundred Thirty One and Ninety-Two Hundredths (331.92) feet to the Southeast Corner of said Lot Nine (9), or the Southwest Corner of Lot Eight (8) in said Owner's Third Division; thence Northeasterly along the Southerly line of said Lot Eight (8) a distance of Seventy Three and Twenty-Eight Hundredths (73.28) feet to the Southeast corner of said Lot Eight (8) or the Southwest corner of Lot Seven (7) in said Owners Third Division thence East along the South line of said Lot Seven (7) a distance of Six Hundred Eighty One and Eighty One Hundredths (681.81) feet to the Southeast Corner of said Lot Seven (7) thence Southwesterly along a line drawn at Forty-Five (45) Degrees to the South line of said Lot Seven (7) a distance of Two Hundred Fifty Four and Fifty-Six Hundredths (254.56) feet to a point on a line One Hundred Eighty (180) feet South of and parallel to the South line of said Lot Seven (7); thence West along last described parallel line a distance of Five Hundred Seventy Two and Seventy Two Hundredths (572.72) feet to a point on a line drawn Twenty-Five (25) feet East of and parallel to the said East line of said Block "A"; thence North along said parallel line a distance of One Hundred Eight and Sixty-Six Hundredths (108.66) feet to a point on a line drawn Five Hundred Seventy Five and Ninety-Seven (575.97) feet North of and parallel to the South line of said Block "A" and said line extended; thence West along said parallel line a distance of Three Hundred Thirty One and Forty-One Hundredths (331.41) feet to the West line of Block "A" or the East line of South Muskegon Avenue; thence North along said line a distance of Fifty (50) feet to the point of beginning, situated in the County of Cook in the State of Illinois.

and also excepting:

Exception D:
to PARCEL P

A tract of land in Block "A" of South Chicago Dock Company's Addition to South Chicago and a 25 foot strip of land lying East of said Block "A", in Section 7, Township 37 North, Range 15 East of the Third Principal Meridian, in Cook County, Illinois, described as follows: Beginning at the Southwest Corner of Lot "A" of General Mills, Inc. Owners Fourth Division, of a portion of said South Chicago Dock Company's Addition to South Chicago, said point being 576 feet North of the Southwest Corner of said Block "A" in South Chicago Dock Company's Addition; Thence East along the South line of said Lot "A" being a line drawn 575.97 feet North of and parallel to the South line of said Block "A" a distance of 331.41 feet to a point which is 25 feet East of the East line of said Block "A" or the Southeast Corner of said Lot "A", located on the West line of Lot "B" of said General Mills, Inc. Owners Fourth Division; Thence South along the West line of said Lot "B", a line drawn 25 feet East of and parallel to the East line of said Block "A", a distance of 108.66 feet to the Southwest Corner of said Lot "B"; Thence West along a line drawn 467.32 feet North of and parallel to the South line of said Block "A", a distance of 330.31 feet to the West line of said Block "A" or the East line of S. Muskegon Ave.; Thence North along said line, a distance of 108.66 feet to the point of beginning.

Annex A

PARCEL Q
Tract 1:

All that portion included within the following described boundaries beginning at the point of intersection of the South line of 100th Street with the West line of Manistee Avenue extended south (the Northeast corner of Block Eight (8) now vacated in Notre Dame Addition to South Chicago), thence West along the South line of 100th Street Three Hundred and Ninety-Seven (397) feet to a point, thence South along the East line of real estate heretofore conveyed by deed to the Chicago, West Pullman & Southern Railroad Company, dated December 22, 1913, and recorded on March 24, 1914, as Document No. 5,361,738, in Book 12,718 of Records at page 383 for a distance of One Thousand Two Hundred Fourteen and Five-tenths (1214.5) feet to a point in the South line of 102nd Street extended, being the North line of Block Thirty (30) (now vacated) of the said Notre Dame Addition, thence East Twenty (20) feet to the Northeast corner of said Block Thirty (30) (now vacated), thence South along the East line of the property deeded as aforesaid to the Chicago, West Pullman & Southern Railroad Company Eight Hundred Twenty-four (824) feet to a point which is Four Hundred Six and Five-tenths (406.5) feet North of the North line of 104th Street, thence in a Southwesterly direction Three Hundred One and Nine-tenths (301.9) feet to a point which is Three Hundred Twenty-Three (323) feet East of the East line of Torrence Avenue, thence South to a point which is One Hundred Nineteen and Five-tenths (119.5) feet North of the North line of 104th Street, thence Northeasterly Forty-nine and Two tenths (49.2) feet to a point which is One Hundred Fifty-two and Seventy-eight Hundredths (152.78) feet North of the North line of 104th Street, thence Northeasterly Fifty (50) feet to a point which is One Hundred Seventy-eight and Twenty-six Hundredths (178.28) feet North of the North line of 104th Street, thence Northeasterly Fifty (50) feet to a point which is Two Hundred (200) feet North of the North line of 104th Street and which is Three Hundred Sixty-five and Three-tenths (365.3) feet West of the Westerly line of Manistee Avenue, thence due East and parallel with the North line of 104th Street Three Hundred Sixty-five and Three-tenths (365.3) feet to a point in the West line of Manistee Avenue which is Two Hundred (200) feet north of the North line of 104th Street, thence due North along the West line of Manistee Avenue and along said West line extended a distance of Two Thousand Two Hundred Forty-Seven and Thirty-nine Hundredths (2247.39) feet to the point of beginning, namely, the intersection of the South line of 100th Street with the West line of Manistee Avenue extended.

Annex A

PARCEL Q
Tract 2:

Block 49 of Notre Dame Addition to South Chicago, being a subdivision of the South 3/4 of Fractional Section 7, Township 37 North, Range 15 East of the 3rd Principal Meridian, in Cook County, Illinois, a plat of which Addition was recorded in the Recorder's Office of Cook County, Illinois, on December 29, 1876, in Book 12 of Plats on Page 39 as Document No. 116049;

Also that part of Block 50 of said Notre Dame Addition to South Chicago, lying East of the Right of Way of the Chicago, Rock Island and Pacific Railroad as said Railroad Right of Way is now used and in operation and East of the Northeasterly line of a strip of land conveyed by Edward Sorin to the Chicago, Rock Island and Pacific Railway Company, by deed dated March 29, 1887 and recorded in the Recorder's Office of said Cook County in Book 2027 of Records, on page 635, and lying East of the Right of Way of the Chicago West Pullman and Southern Railroad, (excepting those parts of said Block 50, each 25 feet in width described in and purported to be conveyed by a quit claim deed from the Calumet and Chicago Canal and Dock Company, James H. Bowen and Caroline A. Bowen, his wife and Edward Sorin to Joseph H. Brown and others, dated June 7, 1875 and recorded in the Recorder's Office of Cook County, Illinois, as Document No. 38985, in Block 467 of Records, on page 273);

Also that part of the South 3/4 of said Fractional Section 7 bounded and described as follows:
Commencing at the Northwest corner of Block 49 of said Notre Dame Addition to South Chicago, and running thence South along the West line of said Block 49 to the Southwest corner of said Block 49, said corner being on the North line of 105th Street in the said City of Chicago; thence West along the North line of 105th Street to the Southeast corner of Block 50 of said Notre Dame Addition to South Chicago; thence North along the East line of said Block 50 to the Northeast corner of said Block 50, said corner being on the South line of 104th Street in the said City of Chicago; thence East along the South line of said 104th Street to the Northwest corner of said Block 49 being the place of beginning.

PARCEL Q
Tract 3:

Also that part of said fractional Section Seven (7) described as follows: Beginning at a point on the South line of 105th Street Five Hundred and Seventy (570) feet West of the point of intersection of said South line of 105th Street and the West line of Manistee Avenue, and running thence South on a line parallel to and Five Hundred and Seventy (570) feet West of the West line of Manistee Avenue to the North line of 106th Street thence West on the North line of 106th Street Fifty (50) feet thence North parallel to and Six Hundred and Twenty (620) feet West of the West line of Manistee Avenue to the South line of 105th Street, thence East along the South line of 105th Street Fifty (50) feet to the place of beginning;

Excepting from the above Tracts of Parcel Q those portions thereof conveyed to the Chicago, West Pullman and Southern Railroad Co. by deeds dated May 1, 1924 recorded December 31, 1930 as document no. 10818774; dated December 20, 1913, recorded March 24, 1914 as document no. 5381738; dated April 15, 1953, recorded April 20, 1953 as document no. 15596046; and dated March 31, 1953 recorded April 10, 1953 as document no. 15589585.

Annex A

PARCEL R
Tract 1:

A parcel of land in the Northeast Quarter (NE 1/4) of the Northwest Quarter (NW 1/4) of Section Eighteen (18), Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, more fully described as follows: Beginning at the Northwest Corner of the Northeast Quarter (NE 1/4) of the Northwest Quarter (NW 1/4) of said Section Eighteen (18); thence East along the North Line of said Section Eighteen (18), a distance of One Thousand Three Hundred Thirty and Sixteen Hundredths (1330.16) feet, to a point on the North and South center line of said Section Eighteen (18); thence South along the last described line, a distance of Four Hundred Eighty-Four and Fifty-One Hundredths (484.51) feet to a point being Three Hundred Twenty-Five (325) feet North of the Northwesterly Dock Line as established by ordinance of City Council of the City of Chicago passed June 29, 1920; thence Southwesterly along a line drawn parallel with the said Northwesterly Dock Line a distance of Two Hundred Twenty-Five (225.0) feet; thence West along a line drawn parallel with and Five Hundred Eighty-Eight and Fifty-Three Hundredths (588.53) feet South of the North Line of said Section Eighteen (18) a distance of Six Hundred Ninety-Nine and Eighty-Four Hundredths (699.84) feet to a point which is Thirty-Eight (38) feet Northeasterly of the center line of a railroad track; thence Northwesterly along a straight line a distance of Five Hundred Eighteen and Eighty-Six Hundredths (518.86) feet to a point on the West Line of the Northeast Quarter (NE 1/4) of the Northwest Quarter (NW 1/4) of said Section Eighteen (18), which is Three Hundred (300.0) feet South of the place of beginning; thence North along last described line to the place of beginning;

PARCEL R
Tract 2:

A parcel of land in the Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of Section Eighteen (18), Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, more fully described as follows:

Beginning at a point One Hundred (100.0) feet West of the Northeast Corner of the Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of said Section Eighteen (18); thence South along a line drawn parallel with and One Hundred (100.0) feet West of the East Line of the Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of said Section Eighteen (18) a distance of Three Hundred Fifty-Eight and Nine Hundredths (358.09) feet to a point which is Fifteen (15) feet at right angles to the center line of a Railroad track; thence Northwesterly on a straight line parallel with said center line of track a distance of Eleven and Forty-Five Hundredths (11.45) feet; thence Northwesterly along a curved line concentric to said center line of track, convexed Southwesterly tangent to last described straight line and having a radius of One Thousand Two Hundred Forty-Seven and Thirty-Five Hundredths (1247.35) feet, a distance of Eighty-Four and Ninety-One Hundredths (84.91) feet (arc); thence continuing Northwesterly along a curved line, convexed Southwesterly concentric to said center line of track, tangent to last described curved line and having a radius of Five Hundred Nineteen and Thirty-Five Hundredths (519.35) feet, a distance of One Hundred Ninety-Five and Ninety-Nine Hundredths (195.99) feet (arc); thence continuing Northwesterly along a curved line, convexed Southwesterly concentric to said center line of track, tangent to last described curved line and having a radius of Two Hundred Forty-Seven and Thirty-Five Hundredths (247.35) feet a distance of Seventy-Nine and Fifty-Eight Hundredths (79.58) feet (arc); thence continuing Northwesterly along a curved line, convexed Southwesterly, concentric to said center line of track, tangent to last described curved line and having a radius of Eight Hundred Seventy-Two and Thirty-Five Hundredths (872.35) feet, a distance of One Hundred Seventy-Seven and Four Hundredths (177.04) feet (arc); thence continuing Northwesterly along a curved line convexed Southwesterly concentric to said center line of track, tangent to last described curved line and having a radius of One Thousand Nine Hundred Eighty-Seven and Thirty-Five Hundredths (1987.35) feet, a distance of Twenty-One and Sixty-Nine Hundredths (21.69) feet (arc); thence Northwesterly along a straight line tangent to last described curved line, a distance of Fifty-Four and Forty-Nine Hundredths (54.49) feet to a point on the North Line of said Section Eighteen (18), which is Fifteen (15) feet at right angles to the center line of said track and Four Hundred Sixty-One and Sixty-Six Hundredths (461.66) feet West of the place of beginning; thence East along last described line to the place of beginning, all in Cook County, Illinois.

PARCEL S:

That part of the Northwest Quarter (NW 1/4) of Section Eighteen (18), Township Thirty Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, described as follows: Commencing at the Northwest corner of the Northeast Quarter (NE 1/4) of the Northwest Quarter (NW 1/4) of said Section Eighteen (18); thence West One Hundred (100) feet along the North line of said Northwest Quarter (NW 1/4); thence South along a line One Hundred (100) feet West of and parallel with the East line of the Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of said Section, a distance of Three Hundred Fifty Eight and Nine Hundredths (358.09) feet to a point which is Fifteen (15.0) feet Northeasterly of the center line of a railroad track; thence Northwesterly on a straight line parallel with said center line of track a distance of Eleven and Forty-Five Hundredths (11.45) feet; thence Northwesterly along a curved line concentric to said center line of track convex Southwesterly, tangent to the last described straight line and having a radius of One Thousand Two Hundred Forty Seven and Thirty-Five Hundredths (1247.35) feet, a distance of Eighty Four and Ninety-One Hundredths (84.91) feet (arc); thence continuing Northwesterly along a curved line, convex Southwesterly concentric to said center line of track, tangent to the last described curved line and having a radius of Five Hundred Nineteen and Thirty-Five Hundredths (519.35) feet, a distance of One Hundred Ninety Five and Ninety-Nine Hundredths (195.99) feet (arc); thence continuing Northwesterly along a curved line, convex Southwesterly, concentric to said center line of track, tangent to the last described curved line and having a radius of Two Hundred Forty Seven and Thirty-Five Hundredths (247.35) feet, a distance of Seventy Nine and Fifty-Eight Hundredths (79.58) feet (arc); thence continuing Northwesterly along a curved line, convex Southwesterly, concentric to said center line of track tangent to the last described curved line and having a radius of Eight Hundred Seventy Two and Thirty-Five Hundredths (872.35) feet, a distance of One Hundred Seventy Seven and Four Hundredths (177.04) feet (arc); thence continuing Northwesterly along a curved line convex Southwesterly concentric to said center line of track, tangent to the last described curved line and having a radius of One Thousand Nine Hundred Eighty Seven and Thirty-Five Hundredths (1987.35) feet, a distance of Twenty One and Sixty-Nine Hundredths (21.69) feet (arc); thence Northwesterly along a straight line tangent to the last described curved line, a distance of Fifty Four and Forty-Nine Hundredths (54.49) feet to a point on the North line of the Northwest Quarter (NW 1/4) of said Section Eighteen (18), which point is Fifteen (15.0) feet Northeasterly of the center line of said tract (as measured perpendicularly thereto) and Five Hundred Sixty One and Sixty-Six Hundredths (561.66) feet West of the

PARCEL T
Tract 1:

That part of the Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of Section Eighteen (18), Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, described as follows: Beginning at a point in the East Line of the said Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of said Section Eighteen (18), Six Hundred Ninety (690) feet South of the Northeast Corner thereof, thence running South on the said East Line of said Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4), a distance of Sixty-One and Forty-Two Hundredths (61.42) feet to a point; thence in a Northwesterly direction a distance of Two Hundred Fifty-One and Seventy-Six Hundredths (251.76) feet to a point which is Five Hundred Forty-Eight and Four Tenths (548.4) feet South of the North Line of Section Eighteen (18), aforesaid and One Hundred Forty-Seven and Three Tenths (147.3) feet West of the East Line of said Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of Section Eighteen (18), thence in a Southeasterly direction a distance of Two Hundred and Five and Twelve Hundredths (205.12) feet to the place of beginning;

PARCEL T
Tract 2:

A tract of land described as follows: Beginning at the Southwest Corner of the Northeast Quarter (NE 1/4) of the Northwest Quarter (NW 1/4) of Section Eighteen (18), Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, thence North Seven Hundred and One (701) feet more or less along the quarter line to its intersection with the South Line of the slip now constructed on said quarter quarter, thence Southeasterly along the said South Line of the said slip Nine Hundred Fifty-Six (956) feet to its intersection with the Westerly Line of the Calumet River, as established by the Government of the United States; thence Southwesterly along and following the said Westerly Line of the Calumet River to its intersection with the South Line of the Northeast Quarter (NE 1/4) of the Northwest Quarter (NW 1/4) of Section Eighteen (18), thence West along the said South Line Six Hundred Twenty-Three and Six Tenths (623.6) feet to the place of beginning;

PARCEL T
Tract 3:

All that part of the Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of Section Eighteen (18), Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, beginning at a point on the East Line of the Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of said Section Eighteen (18) which is Six Hundred Ninety (690) feet South of the Northeast Corner of said Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of said Section Eighteen (18); thence North along the said East Line Sixty-Nine and Nine Tenths (69.9) feet to the Southwesterly side of a slip heretofore constructed on said premises, thence Northwesterly along said Southwesterly side slip Eighty and One Tenths (80.1) feet to the Northwest end of said slip, thence Southwesterly at right angles to the last mentioned line being on the line of said end of slip produced Southwesterly Thirty-Nine (39) feet to a point thence Southeasterly One Hundred Twenty-Four and One Tenths (124.1) feet to the place of beginning;

PARCEL T
Tract 4:

A strip of land in the Northeast Quarter (NE 1/4) of the Northwest Quarter (NW 1/4) of Section Eighteen (18), Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, described by beginning at a point in the West Line of said quarter quarter section which is Six Hundred Nineteen and Forty-Eight Hundredths (619.48) feet South of the Northwest Corner thereof; thence Southeasterly along a line forming an angle of Fifty-Four (54) Degrees, Seven (7) Minutes, Forty-Eight (48) Seconds measured from the South to Southeast from the West Line of said Northeast Quarter (NE 1/4) of the Northwest Quarter (NW 1/4) of Section Eighteen (18) aforesaid, [the bearing of said line being South Fifty-Four (54) Degrees, Thirty-Five (35) Minutes, Thirty-Eight (38) Seconds East] a distance of Nine Hundred Forty-Nine and Sixty-Two Hundredths (949.62) feet to the Westerly channel line of the Calumet River as established by the Government of the United States; thence North Forty-Seven (47) Degrees, One (1) Minute, Forty-Six (46) Seconds East and Six and Thirty-Seven Hundredths (6.37) feet along said channel line; thence North Fifty-Four (54) Degrees, Thirty-Five (35) Minutes, Thirty-Eight (38) Seconds West, One Hundred Thirty-One and Thirty-Five Hundredths (131.35) feet; thence North Fifty-Five (55) Degrees, Ten (10) Minutes, Twelve (12) Seconds West Two Hundred Fifty-Two and Sixty-Six Hundredths (252.66) feet; thence North Fifty-Four (54) Degrees, Thirty-Five (35) Minutes, Thirty-Eight (38) Seconds West Five Hundred Sixty-Nine and Sixty-Seven Hundredths (569.67) feet to the West Line of the Northeast Quarter (NE 1/4) of the Northwest Quarter (NW 1/4) of Section Eighteen (18) aforesaid; thence South No (0) Degrees, Twenty-Seven (27) Minutes, Fifty (50) Seconds East Four and Fifty-Seven Hundredths (4.57) feet along said line to the place of beginning;

PARCEL T
Tract 5:

A parcel of land in the Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of Section Eighteen (18), Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, described by beginning at a point in the East Line of said quarter quarter section which is Six Hundred Nineteen and Forty-Eight Hundredths (619.48) feet South of the Northeast Corner thereof thence Northwesterly along a line forming an angle of Fifty-Four (54) Degrees, Seven (7) Minutes, Forty-Eight (48) Seconds measured from North to Northwest from the East Line of said Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of Section Eighteen (18) aforesaid, a distance of Eighty and Ten Hundredths (80.10) feet; thence Northeasterly at right angles to the last described line a distance of Twenty-Six and Twenty Hundredths (26.20) feet; thence Southeasterly Eighty and Seventy-Four Hundredths (80.74) feet to a point in the East Line of the Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of Section Eighteen (18) aforesaid which is Four and Fifty-Seven Hundredths (4.57) feet North of the place of beginning, thence South Four and Fifty-Seven Hundredths (4.57) feet to the place of beginning;

PARCEL U
Tract 1:

All that part of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Eighteen (18), Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third (3rd) Principal Meridian which lies West and South of a line described as follows: Commencing at a point in the North line of said Quarter (1/4) Section Five Hundred Eighty-One (581) Feet West of the Northeast corner thereof and running thence Southeast a distance of Two Hundred Two (202) feet, more or less, to a point which is One Hundred Ninety-one and six-tenths (191.6) feet South of the North line and Five Hundred Eighteen and Eighty-five hundredths (518.85) feet West of the East line of said Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Eighteen (18), thence Southeast in a straight line Five Hundred Seventeen and Twenty-eight hundredths (517.28) feet, more or less, to a point which is Five Hundred Forty-eight and four-tenths (548.4) feet South of the North line and One Hundred Forty-seven and three-tenths (147.3) feet West of the East line of said Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Eighteen (18), thence Southeast a distance of Two Hundred Fifty-one and Seventy-six hundredths (251.76) feet, more or less to a point in the East line of said Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Eighteen (18) which is seven hundred fifty-one and forty two hundredths (751.42) feet South of the North line thereof.

PARCEL U
Tract 2:

Also that part of the South fractional half (1/2) of the Northwest Quarter (1/4) of said Section Eighteen (18) which lies West of the Westerly line of the Calumet River as established by the United States Government Survey recorded in the Recorder's Office of Cook County, Illinois, May 17, 1889, as Document No. 1,102,294, in Book 39 of Plats at pages 1 to 9, inclusive.

PARCEL U
Tract 3:

Also that part of the North half (1/2) of the Southwest Quarter (1/4) of said Section Eighteen (18) which lies West of the Westerly line of said Calumet River, as established by the United States Government Survey, above mentioned, and which lies North of a line drawn East and West across said North Half (1/2) of said Southwest Quarter (1/4) Section parallel to and Seven Hundred Seventy-eight and Sixty-six hundredths (778.66) feet North of the South line of said North Half (1/2) of said Southwest Quarter (1/4) section.

Also all the land lying Easterly of the Westerly line of said Calumet River as established by the United States Government Survey, above mentioned, to the center of the channel of the Calumet River and which immediately adjoins lands above conveyed, and which lies between the North and South lines thereof extended Easterly to the center of the river.

Excepting from said Tracts 1 and 2 those lands conveyed to the Calumet Western Railway Company pursuant to Deed dated September 2, 1926 and recorded March 11, 1927 as document number 9575635;

And also excepting those lands conveyed to By-Products Coke Corp., pursuant to Deed dated July 25, 1929 and recorded July 25, 1929 as document number 10438332;

And also excepting those lands conveyed to Chicago & Western Indiana Railroad Company pursuant to Deed dated September 2, 1926 and recorded September 24, 1928 as document number 10155646;

And also excepting those lands conveyed to Calumet Western Railway Company pursuant to Deed dated June 7, 1937 and recorded June 25, 1937 as document number 12017354.

PARCEL V:

A part of the South Seven Hundred Seventy Eight and Sixty-Six Hundredths (778.56) feet of the Northwest Quarter (NW 1/4) of the Southwest Quarter (SW 1/4) of Section Eighteen (18), Township Thirty Seven (37) North, Range Fifteen (15), East of the Third Principal Meridian said part being more particularly described as follows: Beginning on the North line of the South Eighty Three (83.00) feet of said Northwest Quarter (NW 1/4) of the Southwest Quarter (SW 1/4) at a point which is Three Hundred Twelve and Forty-Four Hundredths (312.44) feet measured along said North line, East from the West line of said Northwest Quarter (NW 1/4) of the Southwest Quarter (SW 1/4) and running thence Northwestwardly along a straight line a distance of Six Hundred Seventy One and Ninety-Eight Hundredths (671.98) feet to a point which is One Hundred Sixty Eight and Twenty-Four Hundredths (168.24) feet East from the West line and Seven Hundred Thirty Seven and Fifty Six Hundredths (737.56) feet North from the South line of said Northwest Quarter (NW 1/4) of the Southwest Quarter (SW 1/4) measured respectively at right angles to and parallel with said West line, thence Northwestwardly along the arc of a circle convex to the Southwest and having a radius of One Thousand Three Hundred Eighty Four and Seventy Hundredths (1384.70) feet a distance of Forty Two and Five Hundredths (42.05) feet to a point on the North line of said South Seven Hundred Seventy Eight and Sixty-Six Hundredths (778.66) feet which is One Hundred Fifty Nine and Eighty-Six Hundredths (159.36) feet measured along the said North line East from the West line of said Northwest Quarter (NW 1/4) of the Southwest Quarter (SW 1/4), thence East along the said North line of South Seven Hundred Seventy Eight and Sixty-Six Hundredths (778.66) feet a distance of Five Hundred Seventy Three and Three Hundredths (573.03) feet, thence South along a straight line a distance of Six Hundred Ninety Five and Sixty Hundredths (695.60) feet to a point on the North line of said South Eighty Three (83) feet of the Northwest Quarter (NW 1/4) of the Southwest Quarter (SW 1/4) which is Four Hundred Thirteen (413.00) feet measured along said North line East from the point of beginning and thence West along said North line of said South Eighty Three (83) feet a distance of Four Hundred Thirteen (413.00) feet to the point of beginning all in Cook County, Illinois.

PARCEL W:

A part of Lots One (1) to Twenty-Three (23), both inclusive, in Block Three (3) and Lots One (1) to Twenty-Three (23), both inclusive in Block Four (4), together with a part of vacated East 113th Street lying between said Blocks Three (3) and Four (4) and a portion of vacated South Saginaw Avenue extending Seventy-Five (75) feet South of the South Line of East 112th Street and adjoining said Block Four (4), all in Kleinman's Subdivision of the West Five Hundred Five (505) feet of the Southwest Quarter (SW 1/4) of the Southwest Quarter (SW 1/4) of Section Eighteen (18), Township Thirty-Seven (37) North, Range Fifteen (15) East of the Third Principal Meridian, in the City of Chicago, County of Cook, State of Illinois, said parts being more particularly described as follows:

PARCEL W
continued

Beginning at a point on the South Line of East 112th Street, a distance of Four Hundred Sixty-Five (465) feet East of the West Line of said Southwest Quarter (SW 1/4) of the Southwest Quarter (SW 1/4);

Thence South along a line Forty (40) feet West of and parallel with the East Line of said Kleinman's Subdivision, being a line drawn parallel with the aforesaid West Line of the Southwest Quarter (SW 1/4) of the Southwest Quarter (SW 1/4) a distance of One Thousand Two Hundred Fifty-Five and Eighty-Six Hundredths (1255.86) feet to the North Line of East 114th Street, being a line drawn Thirty-Three (33) feet North of and parallel with the South Line of said Southwest Quarter (SW 1/4) and also the South Line of aforesaid Block Three (3);

Thence West along said North Line of East 114th Street, a distance of Seventy-Six and Fourteen Hundredths (76.14) feet;

Thence North on a straight line, a distance of One Thousand One Hundred Eighty and Eighty-One Hundredths (1180.81) feet, to a point which is Seventy-Five (75) feet South of the aforesaid South Line of East 112th Street and Three Hundred Ninety and Thirty-Nine Hundredths (390.39) feet East of the said West Line of the Southwest Quarter (SW 1/4) of the Southwest Quarter (SW 1/4);

Thence West parallel with the said South Line of East 112th Street, a distance of Twenty-Five (25) feet;

Thence North on a straight line, a distance of Seventy-Five (75) feet to a point on the said South Line of East 112th Street, a distance of Ninety-Nine and Fifty-One Hundredths (99.51) feet West of the point of beginning;

Thence East along the said South Line of East 112th Street, a distance of Ninety-Nine and Fifty-One Hundredths (99.51) feet to the point of beginning, containing Two and Two Thousand One Hundred Forty-Five Ten Thousandths (2.2145) acres of land, more or less, SUBJECT TO agreement dated November 6th, 1956, between Calumet Western Railway Company and Interlake Iron Corporation, covering an overhead steel conveyor and supports and RESERVING to the Grantor herein, its successors and assigns an easement in perpetuity for a Railroad track to serve property to the East, in over and across the following described parcel of land:

Beginning at a point in the North Line of East 114th Street at the Southeast Corner of the parcel hereinabove described; thence West along said North Line of 114th Street, a distance of Thirty-Five (35) feet to a point; thence Northeasterly to a point in the East Line of the parcel hereinabove described, said point being Sixty (60) feet distant North measured along said East Line from the Southeast Corner of said parcel hereinbefore described; thence South along the East Line of the parcel hereinbefore described a distance of Sixty (60) feet to the place of beginning, containing One Thousand Fifty (1050) square feet, more or less, situated in Cook County, Illinois.

PARCEL X
Tract 1:

Lots Five (5) to Ten (10) both inclusive in Block Twenty-Eight (28) in Irondale Subdivision of the East Half (E 1/2) (South of Indian Boundary Line) in Section Thirteen (13), Township Thirty-Seven (37) North, Range Fourteen (14) East of the Third Principal Meridian.

Lots Seven (7) to Ten (10) inclusive in subdivision of West One Hundred Eighty-Seven and One-Half (187-1/2) feet of the East Three Hundred Twenty-Three (323) feet of Block Twenty-Eight (28) aforesaid.

PARCEL X
Tract 2:

An irregular shaped parcel of land which is part of Block Twenty-Nine (29) in Irondale, a subdivision of the East Half (E 1/2) (South of the Indian Boundary Line) of Section Thirteen (13), Township Thirty-Seven (37) North, Range Fourteen (14) East of the Third Principal Meridian, and part of the One Hundred (100) foot strip of land lying between Blocks Twenty-Eight (28) and Twenty-Nine (29) in said Irondale Subdivision described as follows:

Commencing at the intersection of the South Line of said Block Twenty-Eight (28) with the West Line of the East Forty (40) feet of the Northeast Quarter (NE 1/4) of said Section Thirteen (13); thence South along the West Line of the East Forty (40) feet of the Northeast Quarter (NE 1/4) of said Section Thirteen (13) a distance of Thirty-Five (35) feet to the point of beginning of the aforesaid parcel of land; thence West in a line Thirty-Five (35) feet South of and parallel to the South Line of said Block Twenty-Eight (28) a distance of Two Hundred Eighty (290) feet; thence South in a line parallel to the East Line of the Northeast Quarter (NE 1/4) of said Section Thirteen (13), a distance of Three Hundred Forty and Ninety-Six Hundredths (340.96) feet to the intersection with the Southeasterly curved line of the Chemetron Corporation formerly known as National Cylinder Gas Company property; thence Northeasterly along the said Southeasterly curved line being convex to the Southeast and having a radius of Four Hundred Sixty and Nine Hundred Twenty-Five Thousandths (460.925) feet a distance of Three Hundred Seventy-One and Sixty Hundredths (371.60) feet to the intersection with the

West Line of the East Forty (40) feet to the Northeast Quarter (NE 1/4) of said Section Thirteen (13); thence North One Hundred Twelve and Thirty-One Hundredths (112.31) feet to the point of beginning, situated in Cook County, Illinois.

PARCEL X
Tract 3:

"All that part of the hereinafter described irregular parcel of land lying East of a line 320 feet West of (by rectangular measurement) the East line of the Northeast Quarter of Section 13, Township 37 North, Range 14, East of the Third Principal Meridian, South of the Indian Boundary Line bounded and described as follows:

"Beginning at the point of intersection of the South line of East 109th Street extended West and a line which is 53 feet Northeasterly of, measured at right angles to, and parallel to the Northeasterly line of the original 66 foot right-of-way of the Chicago and Western Indiana Railroad Company; thence Southeasterly on said line 53 feet Northeasterly of and parallel to said Northeasterly original right-of-way line to its intersection with the North line of the South 40 feet of said Northeast Quarter; thence East along the North line of the South 40 feet of said Northeast Quarter to its intersection with the West line of the East 40 feet of said Northeast Quarter; thence North along the West line of the East 40 feet of said Northeast Quarter a distance of 330.59 feet; thence Southwesterly, Westerly and Northwesterly on a curved line convex to the Southeast, South and Southwest having a radius of 460.925 feet an arc distance of 1,045.37 feet more or less, to a point in a straight line which intersects the West line of Bensley Avenue extended South and the South line of East 109th Street extended West which straight line makes an angle of 67 degrees 37 minutes 40 seconds with the South line of East 109th Street; thence Northwesterly on said straight line 390.57 feet to the point of intersection of the South line of East 109th Street extended West and the West line of Bensley Avenue extended South; thence West along the South line of East 109th Street extended West to the point of beginning; (Except that part of the heretofore described parcel of land lying Westerly and Southerly of the following described line; commencing at the point of beginning of the heretofore described parcel; thence East along the South line of the aforesaid East 109th Street extended West 23.99 feet more or less, to an intersection with a line 73 feet Northeast of, measured at right angles to, and parallel to the Northeast line of the aforesaid original 66 foot Chicago and Western Indiana Railroad right-of-way; thence Southeasterly along said line 73 feet Northeast of and parallel to the Northeast line of said original 66 foot right-of-way a distance of 656.00 feet, more or less, to a point of tangent which is 223.72 feet Northwest of the North line of the South 40 feet of said Northeast Quarter of said Section 13 as measured along said parallel line extended Southeasterly to an intersection with said North line of said South 40 feet; thence Southeasterly on a curved line convex Southwesterly tangent to last described course and having a radius of 371.97 feet an arc distance of 366.59 feet more or less to a point of tangent 60 feet North of the East and West centerline of said Section 13 which point is 508.75 feet West of the East line of said Section 13; thence East along the North line of the South 60 feet of the Northeast Quarter of said Section 13, 177.18 feet to a point of tangent; thence Northeasterly on a curved line convex to the Southeast tangent to last described course and having a radius of 371.97 feet an arc distance of 335.09 feet, more or less, to a point on the West line of the East 40 feet of said Northeast Quarter which point is 201.00 feet North of the East and West centerline of said Section 13).

(B) Steel mill easements, licenses, leases and agreements appurtenant.

1. Switch Track Lease - 5,325 square feet granted by the Belt Railroad Company of Chicago to International Harvester Company from 4-15-42 through 4-14-43 and continuing until cancelled by sixty (60) days notice from either party - \$140.00 annually - 108th and Torrence, dated June 12, 1942.

2. Parking Lot Lease - 11,354 square feet granted by the Belt Railroad Company to International Harvester Company from 7-1-74 through 6-30-79 - ninety (90) days cancellation at any time by either party - \$600.00 annually - 110th and Torrence, dated October 29, 1964.

3. Parking Lot Lease - 53,792 square feet granted by the Belt Railroad Company to International Harvester Company from 12-1-61 through 11-30-62 and continuing yearly until cancelled by thirty (30) days notice from either party - \$1,620.00 annually - 105th Street East of Torrence, dated November 22, 1961.

4. Vacant Storage Lease - 2.518 acres granted by Interlake, Inc. to International Harvester from 8-31-69 through 8-30-70 and continuing yearly until cancelled upon six (6) months notice from either party - \$9,600 annually - East 112th Street, dated August 31, 1969.

5. Agreement for railroad right of way near 106th, West of Muskegon granted by Chicago and Western Indiana Railroad Company to International Harvester Company, dated January 18, 1937.

6. Agreement to erect electric pole and wires and water main across land and right of way at a point near 106th Street granted by Chicago and Western Indiana Railroad Company to Wisconsin Steel Company, dated November 30, 1908.

7. Easement for Water Pipe serving #3 Merchant Mill granted by Pennsylvania Company operating the Calumet Western Railway to Wisconsin Steel Company, dated November 24, 1908.

8. License Agreement for erecting electrical wires over right of way at a point 35 feet south of 106th Street, East of Torrence, East of Mill #3 granted by Pennsylvania Company operating the Calumet Western Railway to Wisconsin Steel Company, dated December 1, 1908.

9. Agreement to erect and maintain steam pipe line above and across land and right of way at a point near Torrence Avenue and 421 feet south of 106th Street granted by Chicago & Western Indiana Railroad Company to Wisconsin Steel Company, dated December 29, 1908.

10. License Agreement for construction and maintenance of steam pipe across right of way at a point 421 feet south of 106th Street granted by Pennsylvania Company operating the Calumet Western Railway to Wisconsin Steel Company, dated January 12, 1909.

11. Agreement to install and maintain a water main across right of way at a point near Torrence Avenue, between 108th and 109th Streets granted by Chicago and Western Indiana Railroad Company and The Belt Railway Company of Chicago to International Harvester Company, dated June 26, 1924.

12. License Agreement to place, maintain and use a six inch water pipe across and along the lands and under tracks granted by the Calumet Western Railway to International Harvester Company, dated July 1, 1924.

13. License Agreement to construct and maintain certain wire lines for transmission of electrical energy under and across the right of way at point approximately 130 feet North of the center line of 109th Street granted by Calumet Western Railway Company to International Harvester Company, dated February 1, 1923.

14. Grant of Easement for railroad tracks granted by Interlake Iron Corporation to International Harvester Company, dated December 14, 1962 and recorded December 21, 1962 as document number 18680561.

15. License Agreement for an 8 inch gas pipe line crossing through the right of way and under the tracks 345 feet south of the South line of 106th Street, granted by Calumet Western Railway Company to International Harvester Company, dated June 12, 1942.

16. License Agreement for overhead crossings of three pipe lines for steam, oxygen or carbon-hydrogen at a point 681 feet south of the South line of 106th Street granted by Calumet Western Railway Company to International Harvester Company, dated August 16, 1939.

17. License Agreement for the crossing of two cast iron sewage pipe lines, one crossing at a point 20 feet south of the North line of 109th Street and one crossing 425 feet south of the North line of 109th Street, granted by Calumet Western Railway to International Harvester Company, dated June 1, 1938.

(C) General Exceptions and Specific Exceptions concerning the steel mill.

1. Provisions of Ordinance of the City of Chicago, dated June 29, 1920, recorded as Document No. 6987130 and grant made to the United States of America recorded in Cook County as Document No. 7435333.
2. To easement for water main granted to Louis Dreyfus Corp. by instrument dated August 1, 1958.
3. To easements, covenants and restrictions created by grant recorded in Cook County, Illinois as Document No. 16959928.
4. Encroachment of frame building on premises in question over and onto premises West and adjoining 8.73 feet.
5. Grant of an easement dated December 5, 1956 and recorded July 17, 1957 as Document 16959928 between Chicago Rock Island and Pacific R. R. Co., a corporation and Reval & Co., Inc., a corporation giving access to the Calumet River over the premises in question.
6. Subject to the grants, conditions, agreements and stipulations contained in a deed made by Dickinson & Boyles to Frederick R. Hazard, dated April 25, 1903 and recorded July 1, 1903 in Book 8243, page 361, as Document No. 3,411,544.
7. Rights and easements of Charles Dickinson and Charles D. Boyles reserved in the Warranty Deed dated April 25, 1903 and recorded July 1, 1903 as Document 3411544 to Frederick R. Hazard of an easement North and South across the South 778.66 feet of the Northwest Quarter of the Southwest Quarter aforesaid 30' in width East of and adjoining the right-of-way of the Calumet Western Railway Company.
8. Ship canal or slip 170' wide, the center line of which is to be 778.66 feet North of the South line of the Northwest Quarter of said Section 18 and extending West from the West line of the Calumet River, as established by United States Government Survey 1200' as provided in the Warranty Deed from Charles Dickinson and Charles D. Boyles to Frederick R. Hazard dated April 25, 1903 and recorded July 1, 1903 as Document 3411544.

9. Reservation contained in deed from Interlake Iron Corporation to International Harvester Company, a corporation of New Jersey, dated December 14, 1962 and recorded December 21, 1962 as Document No. 18670560, wherein the grantor reserves to itself all right, title and interest in and to the South half of the ship canal of slip abutting premises in question on the East side thereto, including all right, title and interest in the South half of said canal or slip if the same shall ever be abandoned as a canal or slip, subject only to the right of grantee to enter the South half of said canal or slip for the purpose of constructing and maintaining any wall which grantee may erect in the future abutting the West end of said canal or slip.
10. Obligations arising out of easement agreement, dated December 14, 1962 and recorded December 21, 1962 as document 18680561, wherein the grantor, Interlake Iron Corporation, a corporation of New York, and the grantee International Harvester Company, a corporation of New Jersey, agree that where either of them or their successors and assigns, find it necessary to enter upon said easement South of the premises in question, for purposes of reconstruction, maintenance, or repair of their respective railroad tracks and roadways, or of the grantor's 36' water intake line, and by reason thereof shall disturb the improvements of the other within the area encompassed within such easement, the party so making such disturbance, its successors and assigns, shall at its or their own expense, repair or replace any improvement which may have been disturbed, unless excused by the other, in writing, from so doing.
11. Easement to erect, install, lay, use, maintain, replace or remove a sewer, duct line, and piping under and across the premises in question, contained in grant from International Harvester Company, a corporation of New Jersey to Interlake Iron Corporation, a corporation of New York, dated December 15, 1962 and recorded December 21, 1962 as document no. 18680562.
12. Easement for Interlake Iron Corporation Coke Conveyor crossing part of premises in question.
13. Agreement dated November 6, 1956 between Calumet Western Railway Company and Interlake Iron Corporation relating to an overhead steel conveyor and supports as set forth in deed recorded June 24, 1963 as document 13833782.

14. Easement for a railroad track to serve premises to the East as reserved in deed from Calumet Western Railway Company to International Harvester Company dated May 17, 1963 and recorded June 24, 1963 as document 18833782 in, over and across that part of the premises in question described as follows:

Beginning at the Southeast corner thence West along the North line of 114th Street a distance of 35 feet, thence Northeasterly to a point in the East line of premises in question, said point being 60 feet distant North, measured along the East line from the Southeast corner of premises in question, thence South along the East line of premises in question a distance of 60 feet to the place of beginning.
15. Rights of the Peoples Gas, Light & Coke Company for maintenance of 16" H.P. steel main, suspended from conveyor over premises in question. (Vacated 113th Street and Lot 1 in Block 3).
16. License for construction and use of roadway for removal of goods from railway cars. South of 106th Street and East of Torrence from Wisconsin Steel to Belt Railway Company of Chicago, dated October 17, 1911.
17. License for operating rights over tracks in a railway yard to be constructed, 2.2145 acres of land between 112th and 114th Streets from International Harvester Company to Calumet Western Railway dated
18. License for installation of oxygen gas line. In and through a pedestrian subway across the right of way and beneath the tracks of the Chicago and Western Indiana Railroad Company and the Belt Railway Company near 109th Street from International Harvester Company to National Cylinder Gas Company dated June 24, 1954.
19. License for electrical lines, 145' East of Manistee and from 25' North of 100th Street to 348'6" North of 100th Street. From International Harvester Company to Commonwealth Edison dated October 1, 1956.
20. Rights of way for drainage ditches, feeders, and laterals, if any, easements or claims for easements not shown by the public records, and roads and highways.
21. Rights of United States, State of Illinois, The City of Chicago and the Sanitary District of Chicago in and to that part of the premises in question which borders on

the new Channel of the Calumet River for navigation, docking and other purposes and in and to so much of the premises in question as is covered by the waters of such river; also rights of the property owners in and to the free and unobstructed flow of the waters of said River.

22. Railroad rights of way of the Calumet, Western Railway Co., Chicago West Pullman, and Southern Railroad, the Chicago and Western Indiana Railroad and the Belt Railway of Chicago, their successors and assigns.
23. Rights, interests and easements in favor of the City of Chicago and the Public and the adjoining property owners in and to ship canals or slips for the purposes of navigation and all privileges incident thereto and the right of control over such canals and slips to the United States Government, the State of Illinois, the City of Chicago, and the Sanitary District of Chicago.
24. Railroad rights of way, switch and spur tracks.
25. Rights of parties in possession of portions of the premises.
26. Loading dock and Lot lease - .832 acres from International Harvester Company to Spang & Company from 1/19/73 through 12/31/77 - \$7,280 annually - Calumet River.
27. Vacant Land Lease - 2.518 acres from International Harvester Company to Illinois Slag & Ballast - from 7/1/75 to 6/30/76 and continuing annually until cancelled by either party upon notice four (4) months prior to any June 30th - \$1,062 annually - North of 112th.
28. Vacant Land Lease - 18.82 acres from International Harvester Company to Illinois Slag & Ballast from 7/1/75 to 12/31/77 - \$7,938 annually - between 100th and 99th.
29. Vacant Land Lease - 14.64 acres from International Harvester Company to Illinois Slag & Ballast from 6/21/76 through 12/31/77 year-to-year thereafter cancellable upon six (6) months notice - \$120.00 annually - South of 100th Street to 104th Street.
30. R. R. Track Purposes Lease - 1.547 acres from International Harvester Company to CWPSRR from 3/1/76 through 2/28/81 - \$120.00 annually - between 100th and 103rd at Torrence.

31. Office Lease - 220 square feet from International Harvester Company to CWPSRR from 10/1/57 through 9/30/62 monthly until terminated - \$480.00 annually - Railroad Clerk's Office.
32. Financing Statment made by International Harvester Company to Illinois Industrial Pollution Control Financing Authority recorded with the office of Recorder of Deeds of Cook County, Illinois on August 16, 1976.
33. Construction, Financing and Installment Sale Agreement. between Illinois Industrial Pollution Control Financing Authority and International Harvester Company dated August 1, 1976 and recorded August 11, 1976 as document no. 23592941.
34. Easement Agreement between International Harvester Company and Chicago and Western Indiana Railroad Company and the Belt Railway Company of Chicago for railroad track installation over property lying North of East 106th Street dated June 1, 1958.
35. Grant of Easement for electrical lines from International Harvester Company to Commonwealth Edison dated March 19, 1969 and recorded April 17, 1969 as document no. 20813420.
36. Easement for maintenance of channel improvement works from International Harvester Company to the United States of America dated March 19, 1969 and recorded April 3, 1964 as document no. 1909338.
37. Easement for maintenance of channel improvement works from International Harvester Company to the United States of America dated March 19, 1964 and recorded April 3, 1964 as document 19090337.
38. Grant of Easement for ingress and egress from International Harvester Company to Illinois Industrial Pollution Control Financing Authority dated August 11, 1976 and recorded August 11, 1976 as document no. 23592940.
39. Financing Statement made by Illinois Industrial Pollution Control Financing Authority filed with the Secretary of State on August 11, 1976 as document no. 970124.

PROJECTS

The Primary Projects Schedule below sets forth the Projects which are to be completed by the Borrower under the Program. With the consent of EDA, and at the request of the Borrower (i) certain Primary Projects may be deleted from the Program if it should appear that funds in the Program Fund will be inadequate to complete such Projects (ii) certain Supplementary Projects set forth below may be substituted for Primary Projects for completion under the Program if prudent business practices would not otherwise make such substitution inadvisable and (iii) certain Supplementary Projects may be added to Projects to be completed under the Program if after appropriate allowance is made for funding the completion of the Primary Projects, adequate funds will be available in the Project Fund for the completion of such Supplementary Projects.

PRIMARY PROJECT SCHEDULE

<u>Project Number</u>	<u>Project Title</u>
GOVERNMENT MANDATED REQUIREMENTS	
1	Replace Steam Boilers Number 1 and 2
2	Waste Water Recirculation System Installation—Phase II
3	Cyanide Removal From Coke Plant Waste Water
4	Enclose Coke Oven Cabs and Pulpits
BLAST FURNACE	
5	Install Number 4 Stove on Number 3 Blast Furnace
6	Repair Number 1 Blast Furnace
7	Rebuild Number 1 Stove on Number 3 Blast Furnace
8	Rebuild Number 3 Blast Furnace
8A	Repair and Install Auxiliary Equipment on Number 3 Blast Furnace
9	Purchase Spare Parts for Turboblenders and Rotor Assembly Support
9A	Rehabilitation of Turboblenders
BILLET PRODUCTION	
10	Rebuild Continuous Casting Facility
11	Rebuild Amsler Morton (Number 7) Soaking Pit Battery
BILLET AND BAR INSPECTION AND CONDITIONING FACILITIES	
12	Magnaglo Unit
	Billet Grinders
	Bar Conditioning
	Bar Classifier
12A	Auxiliary Equipment
OPERATING CONTROLS	
13	Install Standard Cost System
13A	Implementation of Standard Cost System
BASIC OXYGEN FURNACE	
14	Basic Oxygen Furnace Vessel Replace-Vent and Auxiliary and Other Improvements

SUPPLEMENTARY PROJECTS

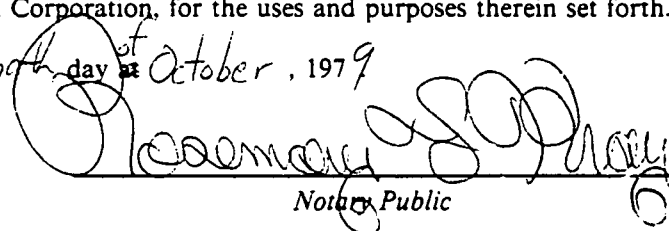
PROJECT DESCRIPTION

<u>Project Number</u>	<u>Project Title</u>
	BLAST FURNACE
S-1	Rehabilitate Number 2 Turboblower
S-2	Replace Number 3 Stove on Number 3 Blast Furnace
S-3	Install Oxygen Lines
	BILLET & BAR INSPECTION—QUALITY CONTROL
S-4	Quality Assurance Equipment—Replace Spectrometer and Analytical Equipment
	BASIC OXYGEN FURNACE
S-5	T.O. 251 Payloader
S-6	Install Number 1 Vessel
	ROLLING MILL IMPROVEMENTS
S-7	Renovate Gas Mains—Blooming Mill
S-8	Repair U.M. Pinions—Number 3 Mill
S-9	Replace Gears—3 and 4 Strand—Number 3 Mill
S-10	Primary Furnace Combustion Controls—Number 3 Mill
S-11	Coil Welding and Handling Equipment—Number 3 Mill
S-12	Replace Pickle House Crane—Number 3 Mill
S-13	Replace Descaler Pumps—Number 2 Mill
S-14	Convert Furnace Ejecter—Number 3 Mill
S-15	Install Gas Recuperators
S-16	Bar Turner—7 Stand—Number 3 Mill
S-17	Renew Table Rolls on South Side of Number 2 Stand of Mill—Number 3 Mill
S-18	Replace Furnace Tables—Number 2 Mill

STATE OF Illinois
COUNTY OF Cook } ss.:

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Ronald K. Linde, personally known to me to be the Vice President of ENVIRODYNE STOCK COMPANY, a Delaware corporation, and Maxine H. Linde, personally known to me to be the Assistant Secretary of such corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President and Assistant Secretary, they signed and delivered the such instrument as Vice President and Assistant Secretary of such Corporation, pursuant to authority, given by the Board of Directors of such Corporation as their free and voluntary act, and of the free and voluntary act and deed of such Corporation, for the uses and purposes therein set forth.

Given under my hand and official seal this 29th day of October, 1979

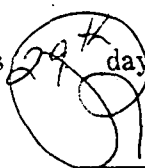

Notary Public

Commission Expires: 12-18, 1981

STATE OF Illinois } ss.:
COUNTY OF Cook

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Ronald K. Linde, personally known to me to be the Vice President of EDC HOLDING COMPANY, a California corporation, and Maxine H. Linde, personally known to me to be the Assistant Secretary of such corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President and Assistant Secretary, they signed and delivered the such instrument as Vice President and Assistant Secretary of such Corporation, pursuant to authority, given by the Board of Directors of such Corporation as their free and voluntary act, and of the free and voluntary act and deed of such Corporation, for the uses and purposes therein set forth.

Given under my hand and official seal this



29th day ~~of~~ October, 1979.

Rosemary G. Perry
Notary Public

Commission Expires: 12-18, 1981

STATE OF Illinois } SS.:
COUNTY OF Cook

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that R. E. Smith, personally known to me to be the Vice President of THE CHICAGO, WEST PULLMAN & SOUTHERN RAILROAD COMPANY, a Delaware corporation, and Ronald K. Linde, personally known to me to be the ^{Attorney-In-Fact} ~~Secretary~~ of such corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President and ^{Attorney-In-Fact} ~~Secretary~~, they signed and delivered the such instrument as Vice President and ^{Attorney-In-Fact} ~~Secretary~~ of such Corporation, pursuant to authority, given by the Board of Directors of such Corporation as their free and voluntary act, and of the free and voluntary act and deed of such Corporation, for the uses and purposes therein set forth.

Given under my hand and official seal this 29th day of October, 1979

Rosemary S. Gray
Notary Public 6

Commission Expires: 12-18, 1981

STATE OF
COUNTY OF

Illinois
Cock

} ss.:

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that *Ronald K. Linde*, personally known to me to be the Vice President of EDC, INC., a Delaware corporation, and *Maxine H. Linde*, personally known to me to be the Assistant Secretary of such corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President and Assistant Secretary, they signed and delivered the such instrument as Vice President and Assistant Secretary of such Corporation, pursuant to authority, given by the Board of Directors of such Corporation as their free and voluntary act, and of the free and voluntary act and deed of such Corporation, for the uses and purposes therein set forth.

Given under my hand and official seal this *29th* day of *October*, 197*9*.

[Signature]
Notary Public

Commission Expires: *12-18, 1981*

STATE OF Illinois } ss.:
COUNTY OF Cock

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Ronald K. Linde, personally known to me to be the Vice President of WISCONSIN STEEL COMPANY, a Delaware corporation, and Maxine H. Linde, personally known to me to be the Assistant Secretary of such corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President and Assistant Secretary, they signed and delivered the such instrument as Vice President and Assistant Secretary of such Corporation, pursuant to authority, given by the Board of Directors of such Corporation as their free and voluntary act, and of the free and voluntary act and deed of such Corporation, for the uses and purposes therein set forth.

Given under my hand and official seal this

29th day of October, 1979.

Rosemary S. Perry
Notary Public

Commission Expires: 12-18, 1981

STATE OF Illinois }
COUNTY OF Cook } ss.:

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Ronald K. Linde, personally known to me to be the Vice President of WSC CORP., a Delaware corporation, and Maxine H. Linde, personally known to me to be the Assistant Secretary of such corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President and Assistant Secretary, they signed and delivered the such instrument as Vice President and Assistant Secretary of such Corporation, pursuant to authority, given by the Board of Directors of such Corporation as their free and voluntary act, and of the free and voluntary act and deed of such Corporation, for the uses and purposes therein set forth.

Given under my hand and official seal this 29th day of October, 1979

[Signature]
Notary Public

Commission Expires: 12-18, 1981

STATE OF
COUNTY OF

Illinois
Cook

} ss.:

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that *Ronald K. Linde*, personally known to me to be the Vice President of WSC SALES, INC., a Delaware corporation, and *Maxine H. Linde*, personally known to me to be the Assistant Secretary of such corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President and Assistant Secretary, they signed and delivered the such instrument as Vice President and Assistant Secretary of such Corporation, pursuant to authority, given by the Board of Directors of such Corporation as their free and voluntary act, and of the free and voluntary act and deed of such Corporation, for the uses and purposes therein set forth.

Given under my hand and official seal this

29th day of *October*, 19*79*.

Rosemary S. Prater
Notary Public

Commission Expires: *12-18, 1981*

STATE OF
COUNTY OF

Illinois
Cook

} ss.:

I, the undersigned, a Notary Public, in and for the County and State aforesaid. DO HEREBY CERTIFY, that *Ronald K. Linde*, personally known to me to be the Vice President of ENVIRODYNE TRANSPORTATION COMPANY, a Delaware corporation, and *Maxine H. Linde*, personally known to me to be the Assistant Secretary of such corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President and Assistant Secretary, they signed and delivered the such instrument as Vice President and Assistant Secretary of such Corporation, pursuant to authority, given by the Board of Directors of such Corporation as their free and voluntary act, and of the free and voluntary act and deed of such Corporation, for the uses and purposes therein set forth.

Given under my hand and official seal this

29th day of *October*, 197*9*

Rosemary G. Price
Notary Public

Commission Expires: *12-18, 1981*

STATE OF
COUNTY OF

Illinois
Cook

} ss.:

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that *Ronald K. Linde*, personally known to me to be the Vice President of WSC SHIPPING, INC., a Delaware corporation, and *Maxine H. Linde*, personally known to me to be the Assistant Secretary of such corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President and Assistant Secretary, they signed and delivered the such instrument as Vice President and Assistant Secretary of such Corporation, pursuant to authority, given by the Board of Directors of such Corporation as their free and voluntary act, and of the free and voluntary act and deed of such Corporation, for the uses and purposes therein set forth.

Given under my hand and official seal this

29th day of *October*, 1979.

[Signature]
Notary Public

Commission Expires: *12-18, 1981*

STATE OF **ILLINOIS** }
COUNTY OF **COOK** } SS.:

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that **DONALD W. ALVIN**, personally known to me to be the Vice President of **CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO**, a national banking association, and **J. C. MULL, JR.**, personally known to me to be the Trust Officer of such association, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President and Trust Officer, they signed and delivered the such instrument as Vice President and Trust Officer of such association, pursuant to authority, given by the Board of Directors of such association as their free and voluntary act, and of the free and voluntary act and deed of such association, for the uses and purposes therein set forth.

Given under my hand and official seal this **29TH** day of **OCTOBER**, 1979.

Donald W. Alvin

Notary Public

Commission Expires: , 19